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S. HRG. 103-484

CREATING PUBLIC SERVICE JOBS

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Creating Public Service Jobs, S.Hrg...

HEARING
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND
PRODUCTIVITY
OF THE
COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

ON
EXAMINING PROPOSALS TO REFORM THE CURRENT WELFARE SYSTEM
AND THE SYSTEM OF PRODUCING PUBLIC SECTOR EMPLOYMENT

JANUARY 27, 1994

Printed for the use of the Committee on Labor and Human Resources



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CREATING PUBLIC SERVICE JOBS

THURSDAY, JANUARY 27, 1994

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:40 a.m., in room SD-430, Dirksen Senate Office Building, Senator Paul Simon (chairman of the subcommittee) presiding.

Present: Senator Simon.

OPENING STATEMENT OF SENATOR SIMON

Senator SIMON. The subcommittee will come to order.

We are waiting for Senator Boren, but he has been delayed apparently, so we will commence the hearing. I will give a few words as an opening statement, and then we will proceed with our hearing.

We heard the President the other evening talk about welfare reform and also about crime. You cannot talk about welfare reform in a significant way without talking about jobs. That is a simple reality.

I would add that you cannot really talk about the crime problem without talking about jobs. You show me an area with high unemployment, and I will show you an area with high crime.

Perhaps the most significant anti-crime thing we do when we build more prisons today is the jobs that we create in building the prisons. If putting people in prison stopped crime, we would have the cleanest society in the world. We have 510 people per 100,000 in our prisons. South Africa is second behind us, at 311; Canada is third, at 109. I am not suggesting for a moment that there are people who have been violent who should not be put away, but we have been looking at simplistic answers too often.

As far as job, we want jobs in the private sector insofar as possible. But that is not always possible, and I think we have to recognize that. We are going to end up paying people either for being productive or nonproductive, and we have made the wrong choice. We have too often paid people for being nonproductive.

There are plenty of examples of public sector jobs as a last resort that can pay off. Mayor White, you are too young to remember the WPA, but a 65-year-old chair of this subcommittee can remember the WPA. What we did was we took the liability of unemployment and turned it into a national asset.

What the WPA did was give people jobs, 4 days a week, on projects—not like CETA, where you were assigned to a city office

or someplace—but on projects. The fifth day, you had to be out, trying to find a job in the private sector. Four days a week, at the minimum wage, is not a lot of money. That amounts to \$535 a month. But the average family on welfare in Illinois gets \$367 a month. I do not know what it is in Ohio or Connecticut, but I assume not too far from that. So \$535 would be of some help.

Plus right now—and the President referred to this in his speech the other night—we penalize families for staying together. Five hundred thirty-five dollars a month, if you had two adults in a family working, would be \$1,070 a month. That is not living in paradise, but it would be an appreciable improvement for a lot of people, and it encourages family cohesion rather than discourages family cohesion. And part of the bill that I introduced first when I was in the House with former Congressman Gus Hawkins—and Senator Boren has a similar bill here—part of that is to screen people as they come in. If they cannot read and write, we get them into a program. If they have no marketable skill, we get them to a place where they can learn that marketable skill.

The difficulty, of course, is that it is going to cost money, but I think we have to recognize that we are going to have to invest. It is going to cost more money just to continue the process that we are in right now.

I would add—this is not the subject of this hearing—that I also believe we need some kind of standby public works authority for the President at the prevailing wage, not the kind of jobs that I am talking about here or that Senator Boren will be talking about in just a moment or two. But the criticism has been made that when you have a recession, Congress moves too slowly. I think that is a justified criticism.

I would favor, in addition the program that Senator Boren and I have proposed, some kind of special fund that would be set up where the President could, on very short notice, when unemployment in an area exceeds “x” percent, whatever it is, the President could authorize money to be spent for roads or mass transit or sewers, to create jobs in that area.

The big division in our society today is not between black and white, not between Hispanic and Anglo; it is between people who have hope and people who have given up. We have too many people who have given up, and we have to give them the spark of hope.

Two things can give people the spark of hope. One is to see either themselves or their children move ahead educationally, and the other is a job, to feel like you are being productive and contributing something. And we can do that. We can enrich our Nation. I am sure that each of you, wherever you live, you know of projects that were WPA projects or CCC projects that in some way enriched your area.

When I was about 10 or 11 or 12, I read “Black Boy” by Richard Wright, which was not as famous as his book, “Native Son,” but it just hit me at the right time, and I remember being deeply moved by it. It was not until years later that I learned that Richard Wright learned to become a writer as part of a WPA project. How he enriched my life and how WPA indirectly enriched my life.

Anyway, we can do better. The administration is now looking at welfare reform, and Congress is. I think we have to look at the jobs component of welfare reform.

Senator Boren, before you came in, I also mentioned that if you are talking about a serious look at crime, you have to talk about jobs. I read a very interesting op ed piece in the Los Angeles Times by a Catholic priest who is a chaplain at a prison in California. He teaches a class of 40 criminals. He asked them what we ought to be doing about crime, and it was very interesting. Their answers—and these are experts on crime—their answers had very little to do with the crime bill we passed the other day. The number one answer was: Jobs. I think we have to recognize that.

[The prepared statement of Senator Simon follows:]

PREPARED STATEMENT OF SENATOR SIMON

The recent focus on welfare reform has brought a renewed interest in job creation. That makes sense. Most welfare recipients want to work, and we should help them to be productive rather than simply giving them a benefit check.

But the issue—the need for job creation—is broader than that. The great division in our society is not between black and white, young and old, or Hispanic and Anglo. It is between people who have hope, and people who have given up. And when people give up, they aren't just unproductive. Their despair contributes to the decline of whole communities, and to problems such as crime, violence, and drug and alcohol abuse.

There are two things that can give people hope. One is if they or their children move forward in their education, whether it is basic literacy or college. The second way is for them to get a job. We need to provide hope, by creating jobs for people on welfare.

But we must also provide jobs for others who need hope. The unemployment rate has dropped, but still, nearly eight million people are seeking jobs—and this doesn't count the millions who have stopped looking. For some reason, as a Nation we are now willing to live with a much higher rate of unemployment than would have been tolerated in the past. In the 1990's, the unemployment rate is averaging two percentage points higher than in the 1950's and 60's. Much of this is an increase in long-term unemployment (those who have been unemployed for more than 27 weeks). In addition, double-digit unemployment is not uncommon in many areas of the country. Many of our inner cities, a number of rural areas, and a number of Indian reservations have been decimated by unemployment.

At the same time that there are millions on welfare, on unemployment compensation, or just on the streets, there are huge needs in this country that are not being addressed. Why don't we put these two things together? That's what the WPA did. Building bridges, clearing parks, teaching people to read, involving people in the arts were all a part of that effort that enriched this Nation greatly, while it helped give people hope, pride, and a future. While we cannot duplicate the WPA, we can learn from it, and build on it.

I look forward to the testimony we will hear today.

Senator SIMON. I am pleased to have as my first witness my colleague from Oklahoma. Let me insert at the record at this point—and I confess I have not read this yet; my staff just called this to my attention this morning—in the Yale Law and Policy Review, an article by Senator Boren, “A Modern WPA: A Proposal to Empower our People and Rebuild our Country.” Yale, for those of you who had not heard, is a small school up in the New England area that we are hearing a little bit about lately.

[The article referred to follows:]

A Modern WPA: A Proposal to Empower Our People and Rebuild Our Country

Senator David L. Boren[†]

The current welfare system defies common sense and good judgment. It manages to cheat both the taxpayers and those it is supposed to help. Taxpayers resent supporting an overly expensive, inefficient system with very few tangible benefits in return for what they pay. At the same time, poor Americans, who rely on the welfare system for support and hope, are becoming increasingly alienated from mainstream American society. Denied the self-esteem that comes from performing useful work, welfare beneficiaries are left with no hope and little motivation to achieve. Many commentators believe that idleness encouraged by the current welfare system contributes to increased crime rates, family disintegration, higher school dropout rates, and many other serious social problems.¹

The call for welfare reform comes from all points on the political spectrum. Although there is an emerging consensus that the current welfare system fosters dependency, rather than self-sufficiency,² there remains disagreement about the proper direction for reform. Very few Americans advocate eliminating welfare entirely; indeed, a recent poll revealed that 93% of Americans oppose such a radical proposal.³ Some reformers have advocated changing the benefit structure so that it operates in a “carrot-and-stick” fashion. Higher benefits would reward positive changes in recipient behavior, and benefits would decline or disappear for those who continue to exhibit socially undesirable behavior patterns.⁴ Other reformers, believing that the economic and social environment is the primary cause of dependency, stress increased job training and education for welfare recipients.⁵ This philosophy underlies the

[†] United States Senator from Oklahoma; B.A., Yale University, 1963; M.A., Oxford University, 1965; J.D., University of Oklahoma College of Law, 1968.

1. See, e.g., CHARLES MURRAY, *LOSING GROUND* 154-77 (1984); MCKEY KAUS, *THE END OF EQUALITY* 103-20 (1992).

2. *The Carrots and Stick of Welfare Reform*, *THE ECONOMIST*, Mar. 13, 1993, at 31.

3. David Whitman, *Welfare: An Agenda for Change*, *U.S. NEWS & WORLD REP.*, Oct. 5, 1992, at 38 (citing May 1992 poll by Yankelevich Clancy Shulman for Time and CNN).

4. Many state governments have adopted this philosophy, linking benefit levels to changes in behaviors affecting work, education, marriage, childbearing, and health care. Paul Taylor, *Welfare Reformers Seek to Modify Budgets and Behavior*, *WASH. POST*, Dec. 16, 1991, at A1; Paul Taylor, *Debating the Lesson of Leanyfarc: Does Cutting Welfare Reduce Thievery*, *WASH. POST*, Feb. 19, 1992, at A17 (describing the effectiveness of the Wisconsin Earnfare program linking benefit levels to teenagers' school attendance).

5. See DANIEL P. MOYNIHAN, *FAMILY AND NATION* 165-66 (1987) (discussing the research of the Manpower Demonstration Research Corporation).

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welfare reform legislation passed in 1993, which included as one of its central provisions the Job Opportunities and Basic Skills (JOBS) Training Program.⁶

Gradually, a bipartisan awareness has emerged that both of the above philosophies must be integrated in any successful reform effort. Many of us in Congress have realized that we must craft a system that requires all Americans to take personal responsibility for their decisions and encourages them to take actions to improve their lives. At the same time, we must acknowledge the reality of the modern inner-city and of many economically depressed rural areas.⁷ These areas are characterized by a lack of real opportunity for employment or meaningful advancement toward the American dream. Citizens who want to escape the tragic cycle of dependency and to care for themselves and their families without government help simply cannot find a way to do so.

The current welfare crisis presents a challenge similar to the one that the country faced nearly sixty years ago. During the Great Depression, we addressed the problems of unemployment, poverty, and hopelessness with two straight-forward, action-oriented government programs: the Works Progress Administration and the Civilian Conservation Corps. Throughout 1992, I led the effort in Congress to establish modern versions of these New Deal era programs, in the hope of transforming the current welfare system.⁸ I have continued my efforts this year, introducing each program as a separate bill to provide a legislative blueprint for the reforms sought by President Clinton.⁹ Although he has presented only the general outline of his welfare reform program, President Clinton has proposed that welfare recipients be limited to two years of cash assistance, education, training, and child care; thereafter, cash assistance would cease, and people would be required to work in community service projects or find other employment.¹⁰

6. See *infra* text accompanying notes 42-45 (discussing the JOBS program).

7. See Sandra Danziger & Sheldon Danziger, *Child Poverty and Public Policy: Toward a Comprehensive Anti-Poverty Agenda*, 122 DAEDALUS (1993) (providing an assessment of the lack of opportunities available to disadvantaged children).

8. I introduced the Community Works Progress Act of 1992, S. 2373, 102d Cong., 2d Sess., with the strong support of Senators Paul Simon, Democrat of Illinois, and Harris Wofford, Democrat of Pennsylvania. 138 CONG. REC. S3961-67 (daily ed. Mar. 19, 1992). In addition, several other Senators co-sponsored an amendment to the Department of Defense authorization bill to establish a demonstration program for the new Civilian Community Corps. 138 CONG. REC. S13853-57 (daily ed. Sept. 8, 1992). The parallel bill in the House of Representatives, H.R. 4591, was introduced by my colleague from Oklahoma, Glenn English, and co-sponsored by 15 other members of Congress. 138 CONG. REC. H1993 (daily ed. Mar. 26, 1992).

9. Community Works Progress Act of 1993, S.239, 103d Cong., 1st Sess., was introduced on January 27 and referred to the Committee on Labor and Human Resources. 139 CONG. REC. S810-13 (daily ed. Jan. 29, 1993). The Civilian Community Corps Act of 1993, S.233, 103d Cong., 1st Sess., was introduced on the same day and referred to the Committee on Armed Services. 139 CONG. REC. S808 (daily ed. Jan. 27, 1993).

10. BILL CLINTON & AL GORE, PUTTING PEOPLE FIRST: HOW WE CAN ALL CHANGE AMERICA 165 (1992); see also Bill Clinton, Address to the National Governors' Association (Feb. 2, 1993).

Given the increased support in the legislative and executive branches for welfare reform emphasizing self-sufficiency, the new WPA and CCC warrant serious attention and consideration. This Article briefly traces the history of the Great Depression jobs programs—programs that continue to resonate with all Americans, whether they are members of the generation that participated in that part of history or are members of the generation that has benefited from the fruits of that labor. The Article next discusses the problems facing our inner cities and our welfare system that have prompted the cry for substantial and sweeping change. Finally, the Article outlines my proposals that have already garnered widespread support in the 103d Congress.

I. THE WORKS PROGRESS ADMINISTRATION AND THE CIVILIAN CONSERVATION CORPS OF THE GREAT DEPRESSION

Confronted with the immense human misery caused by the Great Depression, Franklin Delano Roosevelt decided that the government's role was to provide a way for Americans to work their way out of the crisis. He rejected proposals to establish programs giving people cash assistance only. "[C]ontinued dependence upon relief induces a spiritual and moral disintegration—fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit," he told Congress. "We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination."¹¹ Accordingly, President Roosevelt formed the Works Progress Administration (WPA) to employ out-of-work Americans and the Civilian Conservation Corps (CCC) to give young people the chance to work by developing the country's natural resources. The WPA was administered by Harry Hopkins, who shared Roosevelt's distaste for handouts. He clearly expressed his philosophy:

On the question of a work program as against direct relief, it is my conviction, and one of the strongest convictions I hold, that the Federal Government should never return to a direct relief program. It is degrading to the individual; it destroys morale and self-respect; it results in no increase in the wealth of the community; it tends to destroy the ability of the individual to perform useful work in the future and it tends to establish a permanent body of dependents. We should do away with direct relief for the unemployed in the United States.¹²

11. Franklin D. Roosevelt, Annual Message to Congress (Jan. 4, 1935), in 4 *THE PUBLIC PAPERS AND ADDRESSES OF FRANKLIN D. ROOSEVELT* 19-20 (Samuel I. Rosenman ed., 1938).

12. JOSEPHINE C. BROWN, *PUBLIC RELIEF 1929-1939* 341 (1971) (quoting Harry Hopkins).

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The accomplishments of the WPA are impressive. The program employed 8.5 million people over the course of eight years,¹³ with a peak involvement in 1938-1939 of 2.9 million workers.¹⁴ These numbers mean that each year the WPA employed an average of 5% of all workers in the American economy, and by the time the WPA was phased out, the projects had employed 20% of the work force.¹⁵ These citizens participated in a vast array of activities. They built or renovated 651,000 miles of highways and roads, 78,000 bridges, 125,000 buildings, 8000 parks, and 12,800 playgrounds.¹⁶ Participants taught over 200,000 adults to read,¹⁷ served over 600 million school lunches, produced more than 300 million garments for poor Americans, and organized approximately 1500 day care centers that served 36,000 children.¹⁸

Certainly, these statistics are impressive, but they do not reveal the human dimension of the bricks and mortar assembled by these hardworking Americans. In my own state of Oklahoma, WPA participants restored the home of the great Cherokee leader Sequoyah and helped excavate the Spiro Mounds, remains of a pre-Columbian Native American community. These projects meant more to the workers than just a job; they provided an opportunity for these men and women to contribute to their society and to their cultural heritage at a time when many felt unneeded and alienated from the rest of America. I will never forget talking with an elderly gentleman in the Pecan Bowl in Okemah, Oklahoma, the home of Woody Guthrie. He came up to me and said, "Senator, you see that stadium wall over there? I built that myself. I was part of the WPA. You know, it's not out of line. There's not a crack in it to this good day." As I listened I thought to myself, "That man feels part of the community because of the job he was given. I bet he has never even popped a candy wrapper in that stadium."¹⁹

13. Keith L. Greenberg, *Work Projects Administration 1935-1943* 13 (Dec. 11, 1990) (unpublished manuscript, on file with author).

14. Donald S. Howard, *WPA: "A Giant Rescue Operation,"* WASH. POST, Jan. 7, 1975, at A14.

15. *Id.*

16. *WPA: It Wasn't All Leaf-Raking,* NEWSWEEK, Jan. 20, 1975, at 57.

17. Greenberg, *supra* note 13, at 14.

18. Howard, *supra* note 14.

19. See 139 CONG. REC. S805-6 (daily ed. Jan. 27, 1993). I have received many letters from around the nation recounting very personal stories and successes of people who participated in the WPA. An especially poignant letter was written by a woman whose father died suddenly, in the middle of the Great Depression. She writes: "[J]ust as we were at rock-bottom, [my mother] was introduced to the WPA and employed as a kindergarten teacher. . . . Her talents made a lasting contribution, and we were saved from the street. I repeat this personal history to make an important point. Far from 'make work' the WPA did wonderful things for our community. Many kindergartens and nursery schools like the one where my mother would never have existed except for the WPA. . . . Women who didn't have as much education or training were assigned to a 'sewing project' which repaired and sewed clothing for families in need. . . . Writers and artists were saved from starvation to produce books and art that are valued today. Infrastructure was repaired, children cared for. The list could go on and on." Letter from Leila C. Johnson to Senators David L. Boren and Paul Simon (May 22, 1992) (on file with author).

The CCC provided youths with similar opportunities to learn skills and make lasting contributions to their community and the nation. The CCC took three million young people and put them to work on the land and with our natural resources in every state and territory.²⁰ Americans aged 18 to 25 worked in the nation's forests, parks, wilderness, and national monuments. In the space of nine years, the CCC developed more than 800 state and national parks, 4000 historical structures, 60,000 buildings, 38,500 bridges, and 97,000 miles of roads.²¹ Participants planted more than four billion trees, stocked two billion fish, stopped erosion on more than 200 million acres of land, and spent four million days fighting fires and floods.²² Perhaps most important to me as an Oklahoman, the corpsmembers helped restore the "dust bowl" to its more productive role as the nation's bread basket. It is estimated that it would have taken more than 50 years to accomplish all this in the absence of the CCC program.²³

The CCC was characterized in part by its emphasis on military techniques. Military discipline was a way of life in the CCC camps that were located in barracks or tents. Corpsmembers wore uniforms and boots that were left over from World War I, and they were led by reserve military officers.²⁴ Although all Americans are familiar with the role of young Americans in the CCC, many of us are less aware that over 225,000 veterans of World War I also served as corpsmembers.²⁵

I have received hundreds of letters from Americans who participated in the Depression-era CCC vividly describing the sense of pride and community that the CCC cultivated and developed within them. This pride has survived the passage of decades and is revived every time a corpsmember enjoys a day in a national park or walks past a building or a park that he or she helped build. By being given the opportunity to go back to work, young people avoided the disillusionment and depression suffered by many unemployed persons and instead learned skills which they retained throughout their lives. One man from Watts, Oklahoma, writes:

I spent a couple of years in the CCC during the thirties and learned a good trade along with doing some meaningful work. I was a heavy equipment operator and we were engaged in Soil Conservation Service work. I made a career out of heavy construction and made a good living also.²⁶

20. Marlon Wilbur, *America's Greatest Conservation Army*, CAL. HISTORIAN, May 1990, at 8.

21. *Id.*

22. *Id.*

23. *Id.*

24. Neal R. Pelrice, *For the Young, Service with a Smile*, NAT'L J., July 4, 1992, at 1590.

25. JOHN A. SALMOND, *THE CIVILIAN CONSERVATION CORPS*, 1933-42 35-37 (1967).

26. Letter from Jack H. Bagby to Senator David L. Boren (Jan. 9, 1992) (on file with author).

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Is it any wonder, then, that the building on the site of the old WPA building in Washington, D.C. contains the following inscription: "Work is America's answer to the need of idle millions. Work, not charity. Peaceful work, not regimentation to build machines of war. Useful public work to benefit us all."

II. THE CURRENT CRISIS OF DEPENDENCY AND POVERTY

Although the economic causes of poverty in the 1930s are not identical to the contributing factors we confront today, the detrimental effects of unemployment and dependency on Americans remain unchanged. Admittedly, the impressive legacy of the WPA and the CCC was not costless. During the Depression era, this country made an eight-year investment of \$90 billion (in today's dollars) to build infrastructure, to revitalize our natural resources, and to provide opportunity, hope, dignity, and self-sufficiency for millions of unemployed Americans. Although this was a significant commitment of government resources, it pales in comparison to the tax dollars America spends to administer its welfare system today. In the eight years between 1983 and 1990, the United States government spent over \$900 billion to provide all types of income-tested benefits to economically disadvantaged Americans.²⁷ What does the country really have to show for this immense expenditure of taxpayer funds? How have the lives of the recipients been improved?

This country's decision to rely heavily on the federal dole, rather than job creation, to deal with the problems of poverty and unemployment has had far-reaching consequences. Many of the rioters in Los Angeles last summer acted out their feelings of hopelessness—feelings shared by many of the more than 15 million other inner-city poor.²⁸ Without a sense of purpose, without a feeling that they have stake in the nation, many desperate individuals turn to violence, drugs, and gangs. Our expensive welfare system has managed to produce little more than subsistence-level payments to an increasingly alienated segment of American society. By simply handing people checks, the system has robbed them of any incentive to achieve and of any motivation to succeed. Little is worse for a person's self-esteem than having no reason to get out of bed in the morning and no useful work to perform. Moreover, the problem is exacerbated when one lives in a culture where almost everyone else faces the same desperate situation.

The situation is only growing worse as more and more Americans are forced onto the welfare rolls. The number of families on AFDC reached an

27. VEE BURKE, CASH AND NONCASH BENEFITS FOR PERSONS WITH LIMITED INCOME: ELIGIBILITY RULES, RECIPIENT AND EXPENDITURE DATA, FY 1988-90 CRS-6, tbl. 3 (CRS Report for Congress No. 91-741 EPW, Sept. 30, 1991).

28. Christopher Farrell, *The Economic Crisis of Urban America*, BUS. WK., May 18, 1992, at 38.

all-time high in 1991, with an average monthly enrollment of almost 4.4 million families, as compared to a monthly average of 3.9 million in 1981.²⁹ In January 1992, 13.5 million Americans were receiving AFDC payments.³⁰ Enrollment is expected to increase steadily over the next few years, reaching a total of 4.8 million families in 1997.³¹

These figures might be less alarming if families remained on welfare only a short time, using the assistance to provide themselves time to regroup and reenter society as productive workers. While over half of those receiving welfare remain on the rolls for less than four years and do not return to the system,³² at any point in time most of those enrolled in welfare are in the midst of "spells" that last at least eight years. These individuals, in fact, receive the majority of welfare resources.³³ Moreover, multiple welfare spells are very common; approximately one third of welfare spells are followed by at least one more period of time on welfare.³⁴

The future of our nation's children is increasingly a future of welfare and dependency. Many families are disintegrating. Eighty percent of children in some inner-city areas are born out of wedlock;³⁵ nearly one in ten of our nation's children live in households not headed by either parent.³⁶ Attributing their findings in part to the absence of one or both parents in many American welfare families, a study of seven industrialized nations found that the United States had the highest poverty rates, and the poverty was of a deeper and longer duration than the poverty suffered in the other countries in the study.³⁷ Over 8.5 million of our nation's children—the hope of this country and our most precious national resource—received AFDC payments in 1991.³⁸

As we become more aware of these intolerable statistics, we are compelled to search for the reasons for entrenched poverty—a condition that deadens the spirit of so many of our citizens and denies our children any real opportunity

29. STAFF OF HOUSE COMM. ON WAYS AND MEANS, 102D CONG., 2D SESS., OVERVIEW OF ENTITLEMENT PROGRAMS 655 (Comm. Print 1992) [hereinafter GREEN BOOK].

30. David Whltman, *War on Welfare Dependency*, U.S. NEWS & WORLD REP., Apr. 20, 1992, at 34.

31. GREEN BOOK, *supra* note 29, at 655.

32. Jason DeParle, *Why Marginal Changes Don't Rescue the Welfare System*, N.Y. TIMES, Mar. 1, 1992, § 4, at 3.

33. GREEN BOOK, *supra* note 29, at 685-86.

34. *Id.* at 685.

35. Richard Whitmire, *Is High Rate of Unmarried Moms an Unstoppable Trend?*, GANNETT NEWS SERVICE, Feb. 4, 1992; see also Mortimer B. Zuckerman, *The New Realism*, U.S. NEWS & WORLD REP., May 25, 1992, at 94.

36. Jane Gross, *Collapse of Inner-City Families Creates America's New Orphans*, N.Y. TIMES, Mar. 29, 1992, at 1.

37. Paul Taylor, *Poverty in U.S.: Deeper, Long-Lasting; European Nations' Programs Seen Doing More to Help Citizens*, WASH. POST, Sept. 19, 1992, at A19 (discussing study of the United States, Canada, Great Britain, France, West Germany, Sweden, and the Netherlands conducted by the Joint Center for Political and Economic Studies, a think tank that focuses on policy issues of concern to the African American community).

38. GREEN BOOK, *supra* note 29, at 666.

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for success. Mickey Kaus, author of a recent book on America's social welfare policy, argues that although the welfare system may not have caused the economic and social poverty of the inner city, it has enabled the underclass to endure, the poverty to continue, and the country largely to ignore the human cost of the ghetto.³⁹ It has enabled the underclass to subsist—barely—keeping the inner cities “under control,” such that life outside the ghetto is seldom directly affected. The poor have little incentive to find employment as long as they can survive on federal assistance and are under no pressure from those around them to emerge from the cycle of dependency and hopelessness. As Kaus observes, “there is a culture of poverty out there that has taken on a life of its own.”⁴⁰

We did not heed the words of FDR when he warned us to adopt employment and poverty programs designed primarily to preserve the self-respect and the self-reliance of the poor and unemployed. His decree that “[t]he Federal Government must and shall quit this business of relief”⁴¹ was replaced by welfare policies that have led to a debilitating deterioration of the spirit of many Americans. I am convinced, however, that this situation can be reversed. We need not sit by while another generation of inner-city youths drops out of school and into the streets, joblessness, drugs, and the dependency systems of welfare and prisons. America's poor do not want to be viewed as a danger, as the enemy, but rather as a talented resource. The challenge for the administration, the Congress, and our country is to transform the welfare system so that it empowers these people to improve their lives and revitalize their communities.

III. A MODERN COMMUNITY WORKS PROGRESS ADMINISTRATION AND CIVILIAN COMMUNITY CORPS

Our country cannot tolerate a welfare system that teaches another generation of poor children the lessons of dependency, rather than showing them what behavior leads to self-esteem and personal responsibility. A society that must care for its children and that must repair and expand its roads and schools cannot afford to pay able men and women to sit idle. Furthermore, a nation making the transition from a defense economy to a peace-time economy cannot afford to waste the skills and knowledge of the talented service personnel who are no longer needed in the military. The proposals to create a modern

39. See generally KAUS, *supra* note 1.

40. Mickey Kaus, *The Work Ethic State*, NEW REPUBLIC, July 7, 1986, at 22.

41. *Community Works Progress Act, 1992: Hearings on S. 2373 Before the Subcomm. on Employment and Productivity of the Senate Comm. on Labor and Human Resources*, 102d Cong., 2d Sess. 39 (May 21, 1992) (testimony of Mickey Kaus) (quoting President Franklin D. Roosevelt).

Community Works Progress Administration and a Civilian Community Corps, address all of these challenges and turn them into opportunities to rebuild the country and revitalize our human resources. Although I have introduced these programs in separate bills, any comprehensive solution to the long-term consequences of dependency and poverty must provide opportunities to people of all ages.

A. *The Community Works Progress Administration*

Federal assistance programs are presently not equipped to break the cycle of dependency and poverty and to provide productive workers to rebuild our country's decaying infrastructure. The Job Opportunities and Basic Skills (JOBS) program is designed to ensure that needy families with children obtain services that will help them to avoid long-term dependence on federal aid. This program does not provide a comprehensive solution; however, under JOBS, states must provide benefits such as education, job skills training, job development, and other supportive services. States must also offer two of the following activities: group and individual job search, on-the-job training, work supplementation programs, and community work experience programs (CWEP) or other work experience programs.⁴² The JOBS program is a good beginning and provides necessary educational and job-related services that are particularly helpful for persons who are not long-term welfare recipients or who have been employed in the past. But it is simply not enough.

The problem with the JOBS program is that it often trains people for jobs that do not exist. Rarely does it actually provide jobs for welfare recipients. States have the option of establishing CWEPs that are designed to provide work for recipients on community projects in fields such as health, social services, environmental protection, recreation, public safety, and child care.⁴³ Unfortunately, CWEPs are not widespread; only 30 states provide this option,⁴⁴ and only 2.6% of JOBS participants are enrolled in community work projects.⁴⁵ Most JOBS participants are given only job training—an insufficient response when few jobs are available in our sluggish economy. Teaching people to write resumes will be of little help if they have no actual work experience to show potential employers.

The new Community WPA creates jobs for welfare recipients and the unemployed to help them feel part of the community. It puts people back to work as productive members of society. In short, it puts the actual work in workfare requirements. Through a grant program administered by the Secretary

42. GREEN BOOK, *supra* note 29, at 611.

43. *Id.* at 612.

44. *Id.* at 616-19.

45. *Id.* at 623.

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of Labor, states that have submitted competitive proposals to establish community works progress programs will receive federal funds. Local and state agencies, as well as private nonprofit organizations, can apply to their state to participate in the program. All able bodied welfare recipients who have been participating in the JOBS program for two years and have not found employment will be required to take a job with the new Community WPA, and all other welfare recipients are eligible to participate.

The Community WPA does more than reform the welfare system, however. The program is constructed so that it reaches not only women with dependent children, but also as many unemployed men as possible. Requiring participation from AFDC recipients alone cannot meet this objective because 92% of AFDC families have no father living in the home.⁴⁶ A number of men can be required to participate through the AFDC-Unemployed Parent (AFDC UP) program, which was established in 1990 to offer assistance to children of two-parent families who are needy because of the unemployment of one of their parents.⁴⁷ However, many other men not counted in official unemployment figures are falling through the cracks in the current system because they have never held a job entitling them to unemployment compensation or have never received AFDC-UP benefits. Some of these men can be reached by allowing unemployed persons to participate in the Community WPA if they have been unemployed for at least 35 work days before they are placed in a project. Finally, another group of men can be involved in the Community WPA by requiring the participation of unemployed noncustodial parents who are more than two months in arrears in court-ordered child support payments.⁴⁸

This final provision also promises to help bring some of our nation's children out of poverty. According to a report by the Commission on Interstate Child Support, approximately 10 million mothers were entitled to child support payments in 1989, but only 5.7 million had support orders or agreements, and only half of them actually received their payments.⁴⁹ As much as \$25 billion in child support may be uncollected now, much of which would go toward helping to lift single mothers and their children out of poverty. By employing noncustodial parents who owe child support, the Community WPA can provide a way for them to meet their financial obligations to their children.

46. *Id.* at 669.

47. *Id.* at 603.

48. This provision will also improve the lives of the children who rely on such support. Of the \$16.3 billion in annual child support ordered by courts in 1989, only \$11.2 billion was paid. Only 11% of those receiving support were AFDC mothers. Thomas Sancton, *How to Get America Off the Dole*, *TMB*, May 25, 1992, at 47.

49. Edward Walsh, *Clinton Sance Bolsters Growing Crusade to Enforce Child Support*, *WASH. POST*, Jan. 3, 1993, at A3.

Participants in the Community WPA will work the number of hours equal to their benefit amount divided by a rate of pay determined by the Secretary of Labor, after consultation with the business community, labor organizations, state and local governments, participants, and other interested groups. If they volunteer to work additional hours on a project, workers must receive at least the appropriate rate of pay for that work. When the Secretary decides on the appropriate rate of pay, he should consider that while pay must be sufficient, it must not be so attractive as to provide a disincentive for participants to search for private employment once they acquire necessary job skills. The Community WPA is only one step in a process of eliminating dependency and teaching responsibility; it is not intended to provide permanent employment. To prevent the entrenchment of both personnel and bureaucracy, projects will be designed so they can be completed within two years.

In addition, participants who receive either AFDC benefits or unemployment compensation will receive a monthly bonus determined by the Secretary, and that bonus will not be considered in determining their eligibility for other means-tested programs. The bonus demonstrates that the Community WPA is not a punitive proposal; rather, it is designed to increase the opportunities for disadvantaged people while fostering the value of work in our society. The proposal encourages projects to pay participants their monthly benefit and bonus with one check to strengthen the link between work and earnings.

Community WPA projects consist of a range of activities that serve significant public purposes in fields such as health, social services, environmental protection, education, urban and rural development and redevelopment, recreation, public safety, and child care. Finding projects that will result in significant contributions to our country will pose no problem for the Community WPA. The Conference of Mayors has identified over 7200 projects in 506 cities that are "ready to go" immediately.⁵⁰ Coordinating participants with projects is also readily achievable. For instance, Oregon has developed a program that pools together funding for AFDC, food stamps, and unemployment compensation in six counties to provide jobs in the public and private sector to over 10,000 adults.⁵¹

The commitment of the country to this kind of jobs program will not be limited to the governmental sector; the entire community will pull together to put people to work on projects vital to the well-being of our society. Such active public and private community involvement is already visible in certain

50. See generally UNITED STATES CONFERENCE OF MAYORS, "READY TO GO": A SURVEY OF USA PUBLIC WORKS PROJECTS TO FIGHT THE RECESSION NOW (Feb. 1992); Louis Uchitelle, *Can He Get This Thing to Run?*, N.Y. TIMES, Nov. 8, 1992, § 3, at 1.

51. Whitman, *supra* note 3.

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areas.⁵² Amidst the debris in Los Angeles, private initiatives such as Rebuild Los Angeles offer hope that residents will be given a stake in their communities, providing them an incentive to maintain their neighborhoods and city.⁵³ The leadership of President Carter has engendered spirit, energy, and hope throughout the country, especially through his work on the Atlanta Project.⁵⁴ President Carter believes that with the help of private nonprofit projects, the Community WPA "will help create opportunity in economically disadvantaged communities, while increasing their fiscal well-being and raising the quality of life through projects which provide tangible community benefits."⁵⁵

These jobs will enhance the skills of men and women through on-the-job learning as well as through more formal job enhancement activities. Working on a project will teach necessary life skills, such as the importance of coming to work on time and the way to work with others in a productive venture. The discipline of work is a radically new, and often frightening, experience for many AFDC recipients, and programs must be structured so that participants are encouraged to remain in the workforce. Job training outside the Community WPA project will be closely coordinated with existing state services and with community-based job training and education facilities. It will be tailored to meet individual needs as much as possible. To assure that each individual will have time to seek other employment or to participate in alternative job training and readiness activities, no person will be allowed to work on a project more than 32 hours a week, and all participants will be required to participate in job search activities. For the first time, in many cases, involvement in the Community WPA will give people an actual work experience to list on the resumes that they are learning to write.

In the last session of the 102d Congress, a demonstration project of the Community WPA was included in the comprehensive tax bill, H.R. 11, legislation that was intended in part to deal with the urban crisis brought to the national consciousness by the riot in Los Angeles. The Community WPA provision, which was similar to the proposal outlined above, would have established six demonstration sites—two state-wide programs and four programs in urban centers—to test whether the Community WPA can bring hope to the disillusioned and alienated citizens in our country. The tax bill allocated \$200 million to be spent over fiscal years 1993, 1994, and 1995 for the

52. InDex, a nonprofit corporation in Tulsa, Oklahoma, is an example of a private sector program which provides jobs to AFDC recipients. This innovative 42-week program provides extensive initial training, including preparation for the GED, basic computer skills, and individually-tailored work and education plans. See Nancy Hollingshead, *IndEx Forms Partnership with Zebco, Wal-Mart*, TULSA BUS. J., July 27-Aug. 2, 1992, at 2.

53. See Eloise Salholz et al., *A New Challenge for Ueberroth*, NEWSWEEK, May 18, 1992, at 45.

54. See *A Guide to the Atlanta Project*, ATLANTA J./ATLANTA CONST., Mar. 7, 1992, at B6 (discussing the efforts and structure of the Atlanta Project).

55. Letter from former President Jimmy Carter to Senator David Boren, Aug. 3, 1992, reprinted in CONG. REC. S14,943 (daily ed. Sept. 24, 1992).

demonstration project and for a rigorous evaluation of its success. Although the tax bill was vetoed by President Bush on November 4, 1992, the adoption of the provision by the 102d Congress, along with President Clinton's call for bold, persistent experimentation,⁵⁶ indicate that it will serve as the basis for far-reaching welfare reform in 1993.

B. *The Civilian Community Corps*

In addition to sponsoring the Community WPA, I have joined with others to propose a national youth service program designed to strengthen community service among younger Americans and to offer disadvantaged youths a chance to improve their lives. The success of a residential, federally run Civilian Community Corps is suggested not only by the success of the Depression-era CCC but also by the success of the more than 75 youth service and conservation corps operating throughout the United States.⁵⁷ My colleague from Pennsylvania, Harris Wofford, related a revealing comment from one high school dropout now involved in a service corps in Philadelphia. This young man understands that his productive work will not only help his community, but it will help him as well. "I got tired," he says, "of people coming to do good against me, trying to help me all the time. This Corps asked me to do the helping. Now, I'm making a difference." By asking young people to participate, we gain the contributions of their labor, while instilling a sense of national pride in them.

A national CCC would allow young people to make a difference in their communities and improve their country. America must harness the energy and skills of its youth and allow them to interact as teams working to achieve a common goal. In addition, the CCC would allow military personnel, presently being mustered out of the military as we shrink the defense sector of the economy, to play a vital role in this process as mentors and teachers, imparting to these young people the values of discipline and organized work. As the late Arthur Ashe observed when he advocated a national service program in response to the L.A. riots:

56. See President's Inaugural Address, 29 WEEKLY COMP. PRES. DOC. 3 (Jan. 20, 1993).

57. Peirce, *supra* note 24, at 1590.

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Families rent apart by welfare dependency, job discrimination and intense feelings of alienation have produced minority teenagers with very little self-discipline and little faith that good grades and the American work ethic will pay off. A military-like environment for them with practical domestic objectives could produce startling results.

... Discipline is a cornerstone of any responsible citizen's life. . . . [I]t must be learned or it doesn't take hold.⁵⁸

Although the CCC may become an independent entity in time, my proposal initially puts the program in the Commission on National and Community Service (CNCS), a government entity charged with renewing the ethic of civic responsibility in the United States.⁵⁹ When the CCC Director begins to operate the CCC, he or she can draw on the experience of the Commission to oversee and evaluate youth service projects. The CCC will consist of numerous camps located throughout the country in urban and rural areas, each camp housing and training 200 to 300 young people from diverse economic, social, geo-graphic, and ethnic backgrounds. The camps will be situated at military bases or national guard facilities that have either been closed or have excess capacity as a result of the defense conversion. As my colleague from Virginia, Senator John Warner, has observed, "Why not fill those empty bunks and dormitory barracks with young people who need a chance to work and whose talents are needed to rebuild America?"

The CCC offers talented military people who are being forced into early retirement because of changes in the world to take up leadership roles again. The CCC will be led by a retired military officer, and other professionals, who will comprise the cadre of teachers, will be drawn in part from a pool of retired, discharged, or inactive servicepersons. Just as the corpsmembers will be a diverse group of Americans, their teachers will also come from different backgrounds and professional careers. The CCC will involve people who have been active in the Peace Corps, in VISTA, or in other similar programs, who have experience in youth training and national service programs, or who share a commitment to building a national community of dedicated citizens.

The CCC will instill a sense of community in the young corpsmembers through a service-learning curriculum where participants work in teams on specific and meaningful community projects. The teams will first receive advanced service training, taught largely by military personnel, to learn basic skills and to engage in rigorous physical training. They will then go out into the communities as members of a unified team, and work on important projects, ranging from urban renewal to environmental protection. These jobs will

58. Arthur Ashe, *Can a New "Army" Save Our Cities?*, WASH. POST, May 10, 1992, at C2.

59. National and Community Service Act, Pub. L. No. 101-610, 104 Stat. 3127 (1990).

require participants to employ their newly acquired skills and will help develop their understanding of civic responsibility. The projects will be selected by camp leaders from proposals submitted by both public and private organizations and agencies, representatives of local communities, and the Departments of Agriculture, Interior, and Housing and Urban Development. The nation thus benefits doubly—from the results of the work and from the effects of the experience on the young people and on their teachers.

Because corpsmembers work in teams and live together in dormitories, they will be able to establish links with their peers and with their mentors that will allow them to feel part of a greater experience. This team spirit, resulting from the corps organization and the military-style training, will teach discipline and cooperative effort. Because they will be brought together with other young people from different parts of the country and from different ethnic groups, they will learn to appreciate diversity by sharing different perspectives with each other. Only a national program that combines a team approach with a residential component offers this unique experience for our nation's youths.

Not only is a sense of national pride and community important for young people, a sense of the importance of education is also vital. Accordingly, corpsmembers will participate in educational and training programs in a variety of technical fields. Youths who have not received a high school diploma will work toward that goal as they participate in the CCC. After their service, corpsmembers will be eligible for substantial education credits—\$5000 for every year of service—or for half that amount in cash. This compensation supplements a living allowance provided to participants, which may include allowances for travel, personal expenses, transportation, equipment, clothing, recreational services and supplies, and other services. The Director may also determine that it is appropriate to provide other post-service benefits to help corpsmembers complete the transition from the CCC to work or school.

The CCC includes two programs—a year-long program and a shorter summer program. The year-long program is designed for a diverse service corps of male and female youths between seventeen and twenty-five years of age. Participants will be drawn from a variety of economic, geographic, and ethnic backgrounds, with at least half being economically disadvantaged youths. Corpsmembers can participate in no more than two year-long programs. The CCC also establishes a shorter summer program that will include disadvantaged high school students. However, the summer program will offer service opportunities to a diverse group of teens, including youths from all socioeconomic backgrounds.

The support for a CCC program in Congress was enthusiastic and crossed ideological alignments and party affiliations. The Department of Defense Authorization bill for fiscal year 1993 included an authorization of \$35 million for a federally run, residential CCC program as part of the economic conver-

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sion package. The subsequent Appropriations bill allocated \$20 million for a demonstration project of the CCC and for an evaluation of the project after it has been in place for a year. The money has been released to the CNCS, and the search for a CCC Director has begun. The program coincides with President Clinton's call for a national youth service program that would allow young people to borrow money for post-high school education and repay it either as a percentage of their paychecks or by participating in community service.⁶⁰

IV. CONCLUSION

It seems that our current system discourages individual initiative and encourages dependency. We have to reexamine the basic assumptions of our assistance programs and determine whether there are better solutions to reward people who take responsibility for their lives. We talk frequently in this country of empowerment. Nothing empowers people more than a job and the feeling of accomplishment that goes with it. The most unfortunate result of government handouts is that recipients begin to feel that they are not useful. They lose their sense of self-worth and become divorced from any feeling of community.

We must reawaken the spirit of community in this country. It is time to recycle approaches that worked well in the past—the WPA and the CCC—and modify them to meet current conditions. We have two distinct options: we can either pay people to do nothing or pay people to work. In an era of increasing global competitiveness, we cannot afford to let an able and willing work force sit idle. We must use assistance to instill in all our citizens the ethic of hard work, give them an opportunity for accomplishments to look back on with pride, and reward them for providing service to their community.

Franklin Roosevelt observed fifty years ago that “[w]ork and [s]ecurity . . . are more than words. . . . [t]hey are the spiritual values, the true goal toward which our efforts of reconstruction should lead.”⁶¹ FDR's observation should guide us today as we construct welfare reform proposals and programs to revitalize the nation's poor areas and give hope to the country's youth. Instead of exacerbating the growing division between taxpayers and welfare recipients, it is time to adopt sweeping change. It is time to make all Americans part of the same team. Too often we talk about problems, instead of doing something about them. We need action—immediate and sustained action. America worked its way out of a crisis in the 1930s. With a new administration and a bipartisan resolve in the new Congress, America can do it again.

60. See Bill Clinton, Address at the University of Notre Dame (Sept. 11, 1992).

61. THE WIT AND WISDOM OF FRANKLIN D. ROOSEVELT 38 (Maxwell Meyersohn ed., 1950).

Senator SIMON. Senator Boren, we are happy to have you here.

**STATEMENT OF HON. DAVID BOREN, A U.S. SENATOR FROM
THE STATE OF OKLAHOMA**

Senator BOREN. Thank you very much, Mr. Chairman. I appreciate you inserting that into the record, and I will set aside my capacity as a Yale trustee for a few moments and pass over part of the other remarks that were made in putting it into the record.

Let me first express my appreciation to you for holding this hearing so early. I could not put in words nearly as eloquent as those you have just used the urgency, I believe, of our task. And I was heartened to hear the President place welfare reform as one of the top items of his agenda this year, saying it must be accomplished, that while we have other things we must do, health reform action in terms of reduction of crime in our society and many other things, welfare reform, must not be lost; it must be part of this important agenda.

There are so many interrelationships, as you have just indicated, between other problems that we have in our country and the need to change the welfare system. Like you, I am convinced that a part of the crime problem, the tearing part of our social fabric—the sad fact that our country is now number one in the world in the percentage of our population in prison, absolutely number one. We have an imprisonment rate in this country something like 10 to 20 times the rate in Europe, something like 50 times the rate in Japan.

This is an indicator of the breaking apart of the fabric of our society, and I am convinced that a lot of it has to do with the breakdown of community, which includes the breakdown of family, and a lot of it has to do with the fact that so many people do not feel any identity with any community or with any family; they are not attached to it. They have spun off so far away from the feelings that people had in an earlier period during the Depression, when times were equally hard, when poverty was a tremendous problem for us. We were still at that time giving people jobs so that instead of alienating them from their communities and alienating them from themselves and causing them to feel no sense of self-respect, we were giving them an opportunity to work in areas that made them feel good about themselves and that tied them back to their communities.

I think I have told you the experience that I had several years ago. I was in an old stone football stadium in a small town in Oklahoma that happened to be Woody Guthrie's home town. A man came up to me after this meeting and said, "I want to show you something." He walked me over to the main retaining wall of the stadium, a flagstone structure, and he showed it to me, and he said, "There is a crack in that to this good day. I built it on the WPA." And I know he has never thrown a candy wrapper down in that stadium. I imagine if any graffiti ever appeared on that wall, he would be out there, scrubbing it off.

So that instead of becoming alienated from his community during his time of poverty and hardship, he built something that made him feel connected and a part of it, and made him a defender or protector of that community.

Several years ago, when you and I and others decided to join together and offer this bill to restore and re-establish a modern-day, updated version of a program like the WPA, I decided to hold my Oklahoma press conference announcing it in the city hall in Oklahoma City. In the middle of my press conference, just as I finished and opened it up to the press for questions, a man got up in the back, unexpectedly, and said, "Before the press asks a question, I want to make a statement."

Of course, not knowing who he was and this not being planned, I was a little nervous. And he said, "I just happened to come in here to get my driver's license renewed, but this is quite a coincidence. I worked on the WPA to help build this building, this city hall." And he went into his experience, and he told about how it transformed his life, and that the construction skills he learned on that project, he used to develop his own small company, which he said then ended up employing about 50 people and keeping him and his family employed; it had been passed on as a family business down to the next generation, and he talked about how it transformed his life.

So I think we are on target in what we are talking about, and along with the continuum of other programs, like the training programs, like programs to encourage private sector jobs, if we are really going to have a continuum in which no one falls through the cracks, I think having some meaningful public sector opportunities is absolutely necessary, because unfortunately, the private sector jobs are not there in every case, and some people are not even yet ready for the kind of training programs that we have available because they have not learned the rudiments of a work experience.

About a year ago, I was driving through my own home town of Seminole, OK, and I saw a man on a street corner, holding a sign: "I will work for food for my family." Unfortunately, we have all gotten used to those signs, and we saw them a lot in Oklahoma during the downturn in the oil industry and in agriculture. He was standing outside on a very cold day, with only a lightweight coat on, and the wind was cutting through him as he pleaded for an opportunity to work so that he could feed his family for the day.

So I decided to stop and talk to him about the difficulty he was having finding work, and as I talked to him—partly out of curiosity, partly to see whether he was for real and what he was really willing to do—it became obvious to me that he was a proud person who sincerely wanted to work, and he was ready to do anything. But there just were not any jobs to be found.

Now, just as in the Great Depression, there are thousands of people across the country desperate not only to take care of themselves, but to also take care of their families. Other Americans have lived their entire lives trapped in a cycle of dependency. As young people, they dropped out of school and onto the streets. Their lives were filled with despair, joblessness, drugs, violence, and the dependency systems of welfare and prisons. They have never worked, and many have had few, if any, role models to teach them the discipline of getting up every day and holding a steady job. They have not grown up in a family unit where they saw a family member going off to a job at a certain time of day.

This situation is intolerable. In an era of increasing global competitiveness, we cannot afford to let an able and willing work force sit idle. We cannot afford to waste this talent. Moreover, a Government response that fosters dependency rather than empowering Americans is unacceptable.

When President Franklin D. Roosevelt was faced with a similar problem, he rejected proposals to establish programs giving people cash assistance only. And of course, sadly, that is now the major make-up of our system—writing checks and sending them through the mail to keep people in a bare existence situation.

Here is what he had to say when he rejected the idea of simply sending transfer payments: "Continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. We must preserve not only the bodies of the unemployed from destitution, but their self-respect, their self-reliance, their courage, and their determination."

I cannot thin, of better words for us to hear again today in an era in which we have slipped into what, in some ways, is an easier way to deal with the situation, coming up with creative projects that can use people's talents, that can teach people skills. That is harder work. It requires materials. It requires supervision. It requires imagination—more than just sending a check through the mail that will allow mere existence to continue.

Not only are his words instructive, but we can also be inspired by the Government program that President Roosevelt designed to cope with economic and social dislocation of the era of the Great Depression. He formed the Works Progress Administration to employ out of work Americans, and the accomplishments of the WPA are impressive. The program employed 8.5 million people over the course of 8 years.

Participants built 651,000 miles of highways and roads and sidewalks, 78,000 bridges, 125,000 buildings, approximately 600 airports. They built or renovated 8,000 parks, 12,000 playgrounds, 1,000 libraries, and 5,900 schools. Male and female workers taught over 200,000 adults to read, served over 600 million school lunches, produced more than 300 million garments for poor Americans, and organized 1,500 day care centers that served 36,000 children—not to mention the kinds of contributions you made—works of public art, books that were written, concerts that were played—I was talking to the dean of the Yale music school not to many years ago, and he told me that what first inspired him to go into music was hearing a concert by an orchestra that happened to have been a WPA-funded orchestra.

The example of the WPA resonated with me and several of my colleagues. As I said, the chairman, the distinguished Senator from Illinois, and I realize that the impressive legacy of the WPA required this country to make an investment of \$90 billion in today's dollars to build infrastructure, to revitalize our natural resources, to provide opportunity, hope, dignity, and self-sufficiency for millions of unemployed Americans. By contrast, in the 8 years between 1983 and 1990, the Federal Government spent over \$900 bil-

lion on income transfer payments of all types of income-tested benefits to economically disadvantaged Americans.

I think we have to ask ourselves, looking at those comparative figures, what has the country gotten for this immense expenditure of taxpayer funds. Have the lives of the recipients been improved? Have they grown as people? Are they better off today?

Our expensive welfare system has managed to produce little more than subsistence-level payments to an increasingly alienated segment of American society. By simply handing people checks, the system has robbed them of any desire to be part of the communities where they live and of any motivation to succeed. Little is worse for a person's self-esteem than to have no reason to get out of bed in the morning and no useful work to perform, and to live in a culture where almost everyone else faces the same desperate situation.

The problem is only growing worse as more and more Americans are forced onto the welfare roles. The number of families on AFDC reached an all-time high in 1993, with an average monthly enrollment of almost 5 million families, as compared to a monthly average of 3.9 million in 1981.

In 1993, an average of 14.2 million Americans were receiving AFDC payments, and enrollment is only expected to increase.

The future of our Nation's children is increasingly a future of welfare and dependency. The inner city family is disintegrating. Eighty percent of children in some inner city areas are born out of wedlock. Almost 10 percent of our Nation's children live in households not headed by either parent. I think this is the most shocking statistic of all, and in the 10 largest cities, that figure is 15 percent. I heard an official of HHS say not too long ago that 15 percent of these children are born into no-parent families. I asked, what do you mean by "no-parent families"? She answered me by saying that within 2 weeks of the birth of the child, we mean that both parents are no longer present.

We begin to think about what is happening in that regard, and the welfare system that we have in place is only encouraging that flight from responsibility, that flight from community, and it is not routing people back into areas in which families might be re-established. Although the child's mother may live in the house, she is often a drug addict or an immature teenager who plays only a minor role in child-raising and imparts few, if any, values and notions of responsibility to her offspring.

Over 9.5 million of our Nation's children, the hope of our country and our most precious national resource, received AFDC payments in 1993.

Two years ago, the chairman and I, along with several colleagues, a bipartisan group, introduced legislation to transform the welfare system to address the broader problem of poverty and dependency. Our Community WPA program, based upon the Depression era program and complementary to the current welfare JOBS program, received enthusiastic and bipartisan support.

President Carter endorsed the Community WPA, saying, "It will help create opportunity in economically-disadvantaged communities, while increasing their fiscal well-being and raising the qual-

ity of life through projects which provide tangible community benefits."

The call for welfare reform comes from all parts of the political spectrum. Taxpayers resent supporting an astronomically expensive system with very few tangible benefits in return. Welfare beneficiaries in the meantime are becoming increasingly alienated from mainstream society. There is no question that the idleness encouraged by the current welfare system encourages, as the chairman has said, contributes to increased crime rates, drug abuse, family disintegration, school dropout rates, and many other serious social programs.

I am optimistic that Congress will succeed in passing welfare reform as well as health care reform this year. Welfare reform is a top priority of the Clinton administration as evidenced by the State of the Union Address. The President also said he plans to revamp our Nation's jobs programs by consolidating existing programs to provide "one-stop shopping" for those seeking public assistance to find gainful employment.

I agree with the President, but I believe that the revamping of existing programs must be part of a larger effort to reform welfare in a way that encourages recipients to find jobs.

Preliminary discussions of the proposals being considered by the administration's welfare reform task force indicate that it is considering welfare reform along lines that are strikingly similar to our Community WPA proposal. This proposal and the Community WPA are based on one common sense principle: If you are able to work, you should have an opportunity to work.

The Community WPA plan will advocate providing welfare recipients with cash assistance, education and training for only a limited period of time. Thereafter, people would be required to work in community service projects or find other employment.

The program is constructed so that it reaches not only women with dependent children, but it also includes as many of the unemployed men as possible. Requiring participation from AFDC recipients alone cannot meet this objective because 92 percent of AFDC families have no father living in the home. A number of men can be required to participate through the AFDC Unemployed Parent program that was established in 1990 to offer assistance to children of two-parent families who were in need because of the unemployment of one of their parents.

I might say that many of these unemployed men either never were in insured jobs to begin with, or they have long past the time in which they are eligible for unemployment benefits. They are not officially in the home. As we know, many of them are still receiving some benefit from the AFDC check paid to the mother and to the children. We hope this is an opportunity to draw these families back together, not penalizing them for coming back together, but also putting some emphasis on getting these men back in the work force as well.

Americans who are receiving unemployment compensation could voluntarily choose to participate in projects if they wanted to. Many other men not counted in official unemployment figures are falling through the cracks, as I have mentioned, because they have never held a job entitling them to unemployment compensation or

they have never officially personally been named as the recipient of AFDC benefits.

So this legislation reaches some of these Americans by including positions for unemployed persons in any Community WPA project.

Another group of men can be involved in the Community WPA by requiring the participation of unemployed, noncustodial parents who are in arrears in their child support payments. This provision also promises to help bring some of our Nation's children out of poverty. According to the report of the Commission on Interstate Child Support, about 10 million mothers were entitled to child support payment in 1989, but only 5.7 million had support orders or agreements, and only half of those received payments. So when you think about that, 10 million mothers entitled to child support help, you are really talking about only 2 to 3 million actually receiving it.

As much as \$25 billion in child support may be uncollected now, much of which would go to helping lift single mothers and their children out of poverty. By employing noncustodial parents who owe such child support, the Community WPA can provide a way for them to meet their financial obligations to their children.

Participants who are receiving AFDC or unemployment compensation will work the number of hours equal to the lowest benefit paid in their State, divided by a rate of pay determined by the Secretary of Labor after consultation with an advisory committee. It is my belief that the rate of pay should be approximately the minimum wage. It is important that pay be sufficient, but not so attractive that participants would lose any incentive to search for private employment once they acquire the necessary job skills.

To assure that each participant has time to seek alternative employment or to participate in alternate employability enhancement activity, no one can work on a project more than 32 hours a week.

Finally, each participant in the program would be eligible to receive assistance to meet necessary costs of transportation, child care, vision testing, eyeglasses, uniforms, and other work materials.

They will be better off than they are, obviously, simply receiving a check through the mail, and many of them might move on to training programs once they have had this work experience and hopefully into private sector jobs.

Instead of exacerbating the growing division between taxpayers and welfare recipients, and instead of trying to fix the status quo with patches and band-aids, it is time to adopt sweeping change. It is time to make all Americans part of the same team. We must seize this opportunity to instill in all of our citizens the ethic of work with public service jobs if necessary, reward them for providing service to their communities, and give them accomplishments on which they can look back with pride.

Mr. Chairman, I again want to thank you for this opportunity to testify and have great hope that our discussions here today in these hearings and other actions that you have been undertaking as a member of the full committee as well as chairman of this subcommittee will have a positive impact in the efforts to reform our current welfare system and the system of producing public sector employment.

The fact that this is happening in the very first week of the session I think underlines the determination you have and the determination shared by many others. We are going to succeed in this effort, and we are going to succeed this year.

I thank you very much for letting me come and testify.

[The prepared statement of Senator Boren follows:]

PREPARED STATEMENT OF SENATOR BOREN

Some time ago, I was driving through my hometown of Seminole, and I saw a man on a street corner holding a sign: "I'll work for food for my family." He was standing outside on a very cold day with only a lightweight coat on. The Oklahoma wind was cutting through him as he pleaded for an opportunity to work so that he could feed his family for the day. As I stopped to talk with him about the difficulty of finding work, it became obvious to me that he was a proud person who sincerely wanted to work—there were no jobs to be found.

Now, just as in the Great Depression, there are thousands of people across the country desperate not only to take care of themselves, but also to care for their families. Other Americans have lived their entire lives trapped in the cycle of dependency. As young people, they dropped out of school and into the streets. Their lives are filled with despair, joblessness, drugs, violence, and the dependency systems of welfare and prisons. They have never worked—and many have had few, if any, role models to teach them the discipline of getting up every day and holding a steady job.

This situation is intolerable. In an era of increasing global competitiveness, we cannot afford to let an able and willing workforce sit idle. Moreover, a government response that fosters dependency, rather than empowering Americans, is unacceptable. When FDR was faced with a similar problem, he rejected proposals to establish programs giving people cash assistance only. "[C]ontinued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination."

Not only are his words instructive, but we can also be inspired by the government program that FDR designed to cope with the economic and social dislocation of the Great Depression. He formed the Works Progress Administration to employ out-of-work Americans. The accomplishments of the WPA are impressive. The program employed 8.5 million people over the course of eight years.

The WPA participants built 651,000 miles of highways and roads, 78,000 bridges, 125,000 buildings, and approximately 600 airports. They built or renovated 8,000 parks, 12,800 playgrounds, 1,000 libraries, and 5,900 schools. Male and female workers taught over 200,000 adults to read, served over 600 million school lunches, produced more than 300 million garments for poor Americans, and organized 1,500 day care centers that served 36,000 children.

The example of the WPA resonated with me and several of my colleagues. The Chairman, the distinguished Senator from Illinois, and I realized that the impressive legacy of the WPA required this country to make an investment of \$90 million in today's dollars to build infrastructure, to revitalize our natural resources, and to provide opportunity, hope, dignity, and self-sufficiency for millions of unemployed Americans. By contrast, in the eight years between 1983 and 1990, the federal government spent over \$900 billion to provide all types of income-tested benefits to economically disadvantaged Americans. What has the country gotten for this immense expenditure of taxpayer funds? How have the lives of the recipients been improved?

Our expensive welfare system has managed to produce little more than subsistence-level payments to an increasingly alienated segment of American society. By simply handing people checks, the system has robbed them of any desire to be part of the communities where they live and of any motivation to succeed. Little is worse for a person's self-esteem than to have no reason to get out of bed in the morning and no useful work to perform, and to live in a culture where almost everyone else faces the same desperate situation.

The problem is only growing worse as more and more Americans are forced onto the welfare rolls. The number of families on AFDC reached an all-time high in 1993, with an average monthly enrollment of almost 5 million families, as compared to a monthly average of 3.9 million in 1981. In 1993, an average of 14.2 million Americans were receiving AFDC payments and enrollment is only expected to increase.

The future of our nation's children is increasingly a future of welfare and dependency. The inner-city family is disintegrating. Eighty percent of children in some inner-city areas are born out of wedlock; 9.7 percent of our nation's children live in households not headed by either parent. Although the child's mother may live in the house, she is often a drug addict or a teenager who plays only a minor role in child-raising and imparts few, if any, values and notions of responsibility to her offspring. Over 9.5 million of our nation's children—the hope of this country and our most precious national resource—received AFDC payments in 1993.

Two years ago, Senator Simon and I, along with other colleagues introduced legislation to transform the welfare system and to address the broader problem of poverty and dependency. Our Co-unity WPA program, based on the Great Depression program and complementary to the current welfare JOBS program, received enthusiastic and bipartisan support. President Carter endorsed the Community WPA because it "will help create opportunity in economically disadvantaged communities, while increasing their fiscal well-being and raising the quality of life through projects which provide tangible community benefits."

The call for welfare reform comes from all parts of the political spectrum. Taxpayers resent supporting an astronomically expensive system with very few tangible benefits in return for what is being spent. Welfare beneficiaries, in the meantime, are becoming increasingly alienated from mainstream American society. There is no question that the idleness encouraged by the current welfare system contributes to increased crime rates, drug abuse, family disintegration, higher school dropout rates, and many other serious social programs.

I am optimistic that Congress will succeed in passing welfare reform as well as health care reform this year. Welfare reform is a top priority of the Clinton administration in the upcoming year as evidenced by the State of the Union address on Tuesday night. The President also said that he plans to revamp our nation's jobs programs by consolidating existing programs to provide "one stop shopping" for those seeking public assistance to find gainful employment. I agree with the President but I believe that the revamping of existing programs must be a part of a larger effort to reform welfare in a way that encourages recipients to find jobs.

Preliminary discussions of the proposals being considered by the administration's welfare reform task force indicate it is considering welfare reform along lines that are strikingly similar to the Community WPA. The plan will advocate providing welfare recipients with cash assistance, education, and training for only a limited period of time; thereafter, people would be required to work in community service projects or find other employment. Both the President's proposal and the Community WPA are based on the one common-sense principle: if you are able to work, you will have the opportunity to work. Society will fulfill its obligations to people who are down on their luck, but it has the right to ask those persons to help themselves in return.

Mr. Chairman, so often it seems that our current system to combat poverty discourages an individual's initiative and encourages dependency. We have to reexamine the very basic assumptions of our assistance programs and determine whether there are better solutions that reward people who take responsibility for their decisions and their lives. We talk frequently in this country of empowerment. Nothing empowers people more than a job and the feeling of accomplishment that goes with it. The most serious result of government handouts is that recipients begin to feel that they are not useful. They lose their sense of self-worth and become divorced from any feeling of community.

Instead of exacerbating the growing division between taxpayers and welfare recipients and instead of trying to fix the status quo system with patches and Band-aids, it is time to adopt sweeping change. It is time to make all Americans part of the same team. We must seize this opportunity to instill in all our citizens the ethic of hard work with public service jobs, reward them for providing service to their communities, and give them accomplishments on which they can look back with pride.

Mr. Chairman, I thank you for the opportunity to testify today and have great hope that our discussions here today will have a positive impact in the effort to reform the current welfare system and the system of producing public sector employment.

Senator SIMON. I thank you, Senator Boren, and let me just add that with you being on the Senate Finance Committee, which obviously is also going to be involved in this whole welfare reform effort, it does seem to me that our two committees working together

ought to be able to get something done that really is constructive for our country.

Senator BOREN. I really think we can. I am very optimistic about it.

Senator SIMON. We thank you very, very much for your testimony.

Senator BOREN. Thank you very much.

Senator SIMON. Senator Thurmond has a statement that will be entered in the record at this point.

[The prepared statement of Senator Thurmond follows:]

PREPARED STATEMENT OF SENATOR THURMOND

Mr. Chairman, it is a pleasure to be here this morning to receive testimony on S. 239, the Community Works Progress Act (CWPA) and the effectiveness of other public service job programs. I would like to join you, Mr. Chairman, in welcoming the chief sponsor of this legislation, the distinguished Senator from Oklahoma, Senator Boren. I would also like to extend a warm welcome to all of our witnesses here today.

As you know, S. 239 directs the Secretary of Labor to award grants to States to establish community works progress programs. States must develop job training programs that would allow women with dependent children to participate as well as unemployed men. It would also require non-custodial parents, who are more than two months delinquent in their child support payments, to work on meaningful community projects. These CWPA projects would include activities that serve our communities in areas such as education, health, public safety, child care, environmental protection and urban renewal.

Mr. Chairman, I would like to commend Senator Boren for addressing the cycle of dependency created by our current welfare system. I agree with him that "our expensive welfare system has managed to produce little more than subsistence-level payments to an increasingly alienated segment of American society." However, I do not believe that job creation is an appropriate role for the Federal Government.

I am concerned that this legislation moves the Federal Government in the direction of job creation, which has traditionally been left to the private sector. Our experience with similar job creation programs under the original Comprehensive Employment and Training Act illustrate the need to carefully consider the potential long-term costs of such legislation to the Federal Government.

It is my belief that job training is an appropriate role for the Federal Government. The Job Training Partnership Act (JTPA) has been successful in providing a good system of job training and placement for the economically disadvantaged. I believe continuing to maintain the existing focus of JTPA allows us to wisely utilize Federal resources, leaving jobs creation to the private sector. I look forward to working with you, Mr. Chairman, on improving JTPA and other job training programs.

It is a pleasure to be here, and I would again like to welcome our witnesses here today.

Senator SIMON. Our next two witnesses are Mayor Michael White of Cleveland, OH and Commissioner Audrey Rowe, of the Connecticut Department of Social Services.

I might mention, Commissioner, that Senator Dodd is a member of this committee and wanted to be here to introduce you, but he is chairing a closed briefing for the Foreign Relations Committee right now. Both of us happen to serve on the Foreign Relations Committee and on this committee, and we sometimes get in these binds where we are supposed to be in two places at one point.

Mayor White, I may have been talking to the wrong people, but I have heard excellent things about you.

Mayor WHITE. I hope so, Senator. We paid them enough to say them. [Laughter.]

Senator SIMON. I am pleased to welcome you here and hear your testimony.

STATEMENTS OF HONORABLE MICHAEL WHITE, MAYOR, CLEVELAND, OH; AND AUDREY ROWE, COMMISSIONER, CONNECTICUT DEPARTMENT OF SOCIAL SERVICES, HARTFORD, CT

Mayor WHITE. Senator Simon, thank you very much.

Before I begin my prepared comments, let me just say as a young man who still lives in the same community that he grew up in, who has seen that community go from a place where you could go to bed at night and leave your door open, where you knew your neighbors, where when you were a child, you could not decide whether you were more fearful of getting caught doing wrong by your neighbor or your mother, in a neighborhood where neighbors looked out for others' children the way they would look out for their own, where there was a feeling of neighborhood warmth, where the vast majority of the people in that community went to work every day, to now, 35 years later, where there is a daily and weekly pall cast about that community due to drugs, unemployment, alienation, to have heard your remarks this morning speak so clearly and so effectively and so truthfully about what is going on in this country and the impact of our current approach to this problems. And then to hear Senator Boren speak equally as eloquently and equally truthfully about what is going on and what we must do as a country, and what the Congress and the President must do, give me hope that 1 day, before I pass on, that that community that I grew up in will have that pall removed, the pall of unemployment, the pall of hopelessness, the pall of fear, and the pall of believing that tomorrow will be worse than today.

So I first of all, not as Mayor of the City of Cleveland, not as a member of the U.S. Conference of Mayors, and not as chairman of the National Democratic Conference, want to thank you as an American citizen for taking what I believe is a very profound step of leadership on behalf of our citizens.

Senator SIMON. I thank you, Mr. Mayor.

Mayor WHITE. Senator Simon and members of the committee, as you know, I am Michael R. White, Trustee of the U.S. Conference of Mayors, and the chairman of the National Conference of Democratic Mayors.

I want to say first off that this is a very, very important hearing, and I am thankful for the opportunity to participate. It is important because at this very moment in America, our America, the most powerful country in the world, there are millions of scared Americans and desperate Americans—black, white, brown, yellow and red, from east, north, south, and the west. They are white collar, blue collar, and no collar. They are our fellow citizens who are desperate and afraid because their American dream of gainful employment has been turned into a nightmare and shattered beyond belief.

It is for these Americans, urban and suburban and rural, for whom I have come to speak today. The U.S. Conference of Mayors and the National Conference of Democratic Mayors urge you and the Senate and the Congress to enact legislation this year which will establish a jobs program that will enable us to put Americans to work at jobs for which there is a real need.

The Community Works Progress Act which you and Senator Boren are cosponsoring is such legislation. It would make it possible for cities, large and small, to create jobs and to provide an important employment opportunity for low-income, unemployed persons and for our young people as well. The benefits are mutual, and they are significant.

Not only would we be able to address important community needs, but we would be able to provide a salary and work experience to those who currently have neither. Instead of being on the outside glaring in at America, these people for the first time would become a part of the system, a part of what is going on, and a part of progress.

Senator Simon, so many people in my own city have remarked about my work ethic, and I have always found it quite interesting that people have remarked how hard I work. And in a couple of instances, I have said to them that work is part of the very fabric of my family. My great-grandfather was a hard worker, and my father and his brothers were hard workers—so much so that at the age of 13, while living in Washington, DC, my father at that early age, along with his two brothers, 15 and 17, worked with their father at the Pentagon, slinging bricks, carrying concrete, and doing whatever a construction helper would do.

It was that earlier experience of work and success and ability that formed their experiences and then later, my going to work at 13, forming my own experiences.

The needs of our communities are varied and considerable, Senator Simon. There are hundreds of thousands of public works and community development projects which need to be undertaken in our schools, churches and hospitals. The U.S. Conference of Mayors as I speak today has a list of some 8,600 such projects that are ready to go.

There are at least as many community services projects that need to be done. We need more aides in our child care centers and in our senior citizen facilities. We need to keep our parks clean and make improvements in them as well. We need to provide recreational activities for our children. We need to help our homeless shelters and our soup kitchens as well. We need crews that can undertake neighborhood cleanups and improvement projects.

Some jobs may require skilled workers; many more will just require people who can gain the needed skills on the job. Regardless, we know the people are there, and we know they want to go to work. Unemployment rates in many cities across the country remain well above the national average regardless of our recovery. When you adjust the official unemployment rate to include discouraged workers and part-time workers seeking full-time jobs, then the real unemployment rate for cities is more than twice the national average, large cities and small cities alike.

In my own city of Cleveland, OH, the official unemployment rate is more than twice the national average. But in some sections, the unemployment rate approaches 45 or even 50 percent. And you can find the same level of unemployment and worse in sections of nearly every major American city. If these averages were national unemployment figures, Senator, the President and the Congress today would declare it a national emergency.

In his State of the Union Address, President Clinton spoke about the need to get tough on crime, and I agree. We applaud these efforts. We must rescue our streets and rescue our cities from the lawless thugs who prey on the innocent and keep repeat criminals behind bars. I stand solidly behind the President in this regard, and I personally support the "three strikes and you are out" policy.

But Senator Simon, there is a root cause to crime that must also be addressed, and the President spoke of this very eloquently just the other day. Yes, we can build more prisons, and we can create bigger welfare programs. Lord knows, we have an outstanding track record in both. We can develop bigger and better and more expensive gun buyback programs. But until we seriously address the lack of jobs in our communities, which for too many citizens, turns into hopelessness, despair and alienation, crime and violence will only increase.

This lack of jobs, the real root cause of crime, will further the decline of our communities, both urban and suburban alike, and continue to make them more like war zones.

I know you understand this, Senator Simon; I have heard your words and those of Senator Boren today. You would not have co-sponsored the Community Works Progress Program if you did not understand this truism.

But for a moment, ask yourself when was the last time a gainfully employed citizen of your home town participated in a driveby shooting, mugged a senior citizen, sold drugs on the corner or robbed a bank. They do not. Citizens who have hopefulness do not by and large commit these crimes, because by virtue of their unemployment, they feel a part of our society.

Senator, when I was running for mayor in Cleveland, OH in 1989, there was a group of young and older men as well who would patrol public housing authorities throughout Cleveland, in the middle of the night, early in the morning, to try to run off drug dealers so they would not bother the people living there. They had no armaments, no guns, just their faith and their determination. And I remember walking through two buildings with a gentleman named Omar Ali-Beh. I had just sponsored the toughest drug bill in the State of Ohio's history, and I wanted very much to see that bill passed. I was talking to Omar about that bill, and when I was fin-

ished, he very quietly and very clearly said to me: "Senator, that may all be well and good. Clearly, we need to do something about drugs." But he went on to say: "You need to know that drugs and crime and violence are born of hopelessness, despair, and a feeling that tomorrow will be worse than today."

I grew up in a time, Senator, when there were three men, black and white, who became my heroes—Martin Luther King, Robert F. Kennedy, and John F. Kennedy. And on so many occasions after school, I would run home every day and look at my parents' 16-inch black and white Zenith, and I would see the marches in Selma and Montgomery and all the other cities, and I would see what they were doing, and I would see the dogs, and I would see the people killed, and I would see the people put in jail. But for all of that, there was not one time in my life up until today that I have ever believed that tomorrow would be worse than today.

More and more Americans have not had that experience, Senator. More and more Americans are believing that tomorrow absolutely and undeniably will be worse than today. And for them, if tomorrow is just neutral—not as bad as today—then that is a victory.

If we are to reweave America's social fabric, we must attack the jobs deficit with a vengeance never seen before. The challenge of creating jobs for our citizens is not a handout, but a hand up. And it sure beats the socially debilitating effect of welfare.

How many alternatives are there for people who cannot work for their livelihood, who cannot find employment to provide for the need of their families? I know that the overwhelming majority of these unemployed in my city want to work. Many come to see me on the first Tuesday of every month for "Mayor's Night In," when I open my office to any citizen who wants to see me. Over half of all the citizens who come to see me look me in the eye and say, "Mayor, I want a job. I want to go to work. I want to support my family."

So I have come today to urge the support of this bill and to support your efforts. But I have also come, finally, to say to you that if we are to be successful, it is this two-track approach in dealing with crime and jobs which we must pursue. On the one hand, we must stop dilly-dallying about crime. We must get serious, and we must begin to deal effectively with the problem of crime and to say to those who commit these heinous crimes, who sell drugs, who harm our individuals and our cities that, "You are going to jail, and you are going to stay there."

But on the other hand, we must give opportunities to those individuals who do not want to commit crimes and who want to be a part of our society. So it is this two-track approach to dealing with jobs and crime that we have come today to advocate—better recreation centers, more recreational alternatives. I have also come today to speak out in behalf of a real jobs program for young people.

Today, Senator Simon, I do not believe we have a jobs program for young people. We have a summertime payoff program designed to assure that our cities are not burned down between June and September. What we need is a program to put our young people to work. It is not enough to say to young people, "Stay off the streets,

stay out of trouble, do not sell drugs." We need to give them instances where they can have real, positive role models, and where they can understand that the sweat of their brow will yield a permanent, important payoff.

Senator Simon, we wish you Godspeed. We are here today to be your partner in a very important effort that you and Senator Boren have begun. We hope that you will look upon us as your partners, and we stand ready to do whatever it will take to assure passage of this very important legislation.

Thank you.

Senator SIMON. I thank you for your eloquent statement.

[The prepared statement of Mayor White may be found in the appendix.]

Senator SIMON. Commissioner Rowe?

Ms. Rowe. Good morning, Mr. Chairman.

I am pleased to say that I come from the State which houses Yale and serve as Connecticut's commissioner for the Department of Social Services. I am testifying today on behalf of the American Public Welfare Association. APWA is a 64-year-old nonprofit bipartisan organization that represents all of the State human services departments plus local welfare agencies and individual members.

I appreciate this opportunity to testify today on the very important issue of job creation. It is an issue central to the up and coming welfare reform debate and one I know that is of primary interest to you, Mr. Chairman, and the work of this subcommittee.

In my testimony today, I would like to briefly summarize APWA's recommendations for reform of the welfare system, which we released at a press conference here on Capitol Hill 2 weeks ago. The recommendations were the culmination of a year's work by the association's task force on self-sufficiency, of which I was a member. I would also like to specifically address our recommendations on job creation and then discuss the challenges that lie ahead in creating community service and community work experience jobs for AFDC recipients facing a mandatory work obligation.

On January 11, 1994, APWA released a series of recommendations that State and local human services administrators see as the critical next step in restructuring the welfare system. The recommendations represent a consensus of opinion among a broadly diverse group representing the variety of State views on welfare reform.

The APWA recommendations, Mr. Chairman, are the first bipartisan recommendations for welfare reform, but we certainly hope they will not be the last.

Our proposal is based on the premise that welfare should reflect mutual responsibility on the part of the parent and the welfare agency. When applying for AFDC, the parent must sign what we are calling an "agreement of mutual responsibility." In signing the agreement, the welfare agency agrees to provide financial assistance, and the individual agrees to participate in 1) an assessment of his or her education and literacy needs, work experience, strengths and interests, and personal circumstances, and 2) the development of an employability plan outlining goals for employment, the responsibilities of the parent and the agency in meeting these goals, and the specific steps to be undertaken.

We propose a three-phase program building on the current JOBS and job skills training program. The first phase is the JOBS preparation phase; the second is up to a limit of 2 years in a JOBS career-focused education and training phase; and the third is a JOBS mandatory work phase in which AFDC parents would be required to work in an unsubsidized private or public sector job, with community work experience available as a last resort for those who complete the JOBS program and are unable to locate unsubsidized work.

Everyone is expected to participate in some kind of activity under our proposal. There are no exemptions from participation in the JOBS program. Individuals who enter the job preparation phase would include those the welfare agency believes have barriers to employment such that they need more than 2 years of education and training. These individuals nonetheless would participate in an activity as a condition of eligibility, regularly receiving necessary education or behavioral health care, making progress on completing their GED or high school diploma, as identified in their employability program.

Individuals who enter the JOBS career-focused education and training program are those the State believes will be employable after up to 2 years of education and training, or those, while they may be considered for JOBS preparation, volunteer to participate in education and training.

States would operate the program as they do today, offering a full range of services and activities to promote job readiness and employment.

After 2 years in education and training, participants would be required to work. Our highest priority is that these individuals work in unsubsidized employment in the private or public sector. For those not working in unsubsidized employment, we recommend placement in community work experience—but, Senator, only as a last resort.

Individuals working at least 20 hours per week would be considered meeting the mandatory work requirements under our proposal.

I want to underscore that sufficient Federal and State resources must be provided to ensure those participating in any phase of the JOBS program can meet the requirements for satisfactory participation. On the other hand, Senator, if AFDC parents fail to comply with the plan as required, we propose a penalty reducing the family's combined AFDC and food stamp benefit by 25 percent. We believe such a penalty is realistic and necessary for any parent who fails to take his or her responsibility seriously.

The report also addresses several policy priority areas that are summarized in my written testimony. I would like to emphasize that while our proposal is clearly work-focused, the goal of true reform cannot be fully achieved if we do not "make work pay," including enactment of health care reform that ensures universal health care coverage, access to quality child care options, and making sure that everyone who is eligible takes full advantage of the expansions in the Earned Income Tax Credit recently enacted by this Congress.

Our proposal emphasizes the need for employment that results in family self-sufficiency as the successful end point for both client and agency activities. We underscore the preference for jobs in the private sector, the primary source of our Nation's economic growth and development. We recognize the lack of private sector jobs available today for many Americans who are poor.

We therefore call for the creation of a new, adequately funded jobs creation strategy to support employment of low-income individuals in the private sector. We propose targeting 75 percent of the new jobs created under this new initiative to our JOBS graduates and 25 percent to unemployed economically disadvantaged youth and adults.

We believe that under an adequately funded welfare reform program, expansion of on-the-job training, work supplementation, and the use of the Targeted Jobs Tax Credit can facilitate the placement of JOBS graduates in private sector jobs. We recognize, however, that these placement tools are now used only on a small scale and will likely serve only to supplement other job creation efforts.

We commend the Congress and the President for creation last year of the National Service Corps. We believe that the National Service Corps can and should serve as a valuable work and education alternative for AFDC parents and their children.

There will undoubtedly be much debate about the efficacy of a Community Work Experience Program as a primary source of jobs under AFDC recipients facing a mandatory work obligation. Human services administrators know too well the challenges proposed by operating CWEP programs. Our experience tells us that we must have realistic expectations about the efficacy of operating a large-scale program.

The cost of CWEP can be high and labor-intensive, developing work sites, providing supervision, monitoring, and follow-up with the employer and the client. We know from the research conducted by the Manpower Development Research Corporation in the 1980's that CWEP is feasible to operate and that participants and supervisors found the work meaningful, which is extremely important.

The programs that have operated in the past and been studied by MDRC, however, were small in scale, with little evidence to support that CWEP leads to consistent employment or earnings, or reduction in welfare or welfare costs. Some States have found that because of liability insurance coverage, employers are not willing to accept CWEP clients. This issue varies from State to State, but is clearly one that has surfaced and has been an impediment in some States.

For those States with bargaining agreements, with public sector unions, the use of CWEP clients in State or local government agencies has posed a particular problem. For unions, concern about displacement and reported use of CWEP clients to perform work covered under bargaining agreements has led to opposition to this program.

In Connecticut, however, we have been able to establish a new partnership between the Connecticut Department of Labor and Transportation, and the Connecticut Employees Union to provide opportunities for 100 general assistance recipients to receive 6 months of paid on-the-job training in road work and highway main-

tenance. This program, funded by the Labor Department under a new STEP program, provides participants with training that enables them to acquire a commercial driver's license and perform a variety of public works functions. This license and the experience have resulted in individuals moving into private sector employment.

In sum, the challenges proposed by CWEP are significant as we move to scale. I caution you again against having high expectations about the efficacy of this approach in moving large numbers of recipients into unsubsidized employment or in reducing caseloads or costs. On the other hand, if we can address some of the impediments that limit the number of potential sites and cost of operations, CWEP can serve as a structured, meaningful work experience for States, and the AFDC recipients facing a mandatory work obligation.

Mr. Chairman, I commend you for the leadership that you have taken in this effort, and I appreciate the opportunity the Association has had to appear before you this morning.

We would be happy to answer any questions that you may have. [The prepared statement of Ms. Rowe be found in the appendix.]

Senator SIMON. I thank you, Commissioner, for your testimony as well as for your leadership.

Mayor White, you talked about the neighborhood in which you grew up and how different it was. Was that neighborhood originally more economically integrated than is the situation today?

Mayor WHITE. Yes, it was, Senator Simon. First of all, if there were any people who were not employed, especially the men in the families, I did not know it at the time. I live only three blocks from where I grew up.

Second, it was very clear that my father, who lived in our home, worked in a factory across the street. Mr. Whitley was a teacher down the street. Mr. Howard was the principal of an elementary school. Today, that has been not only lowered in terms of the income categorization, but also in terms of the kind of work or the kinds of jobs that people are performing. Also, the rate of welfare, the rate of unemployment, has also steadily gone up.

Senator SIMON. And one of the problems—this is not addressed by this bill, obviously—but one of the problems in our society is that we are more economically segregated than at any point in our Nation's history. That high school principal, for example, is not living in that neighborhood. So that we compound our problems because formerly, people who had problems, living in your neighborhood or mine, lived next door to people who knew how to solve problems. Now we are piling people together, and people who do not know how to solve problems live next door to people who do not know how to solve problems, and we aggravate everything.

Mayor WHITE. Senator Simon, if I may just say, I have worked on a number of programs that speak to housing. One of them was a program I did for former Mayor Tom Moody of Columbus, OH, and it was called the Urban Homesteading Program. You have probably heard about it. It was a question of where the homes would be located that we would try to turn over to various people. And it was a question of trying to really segregate poor people in certain parts of the community. And I looked at them, and I said

the last thing a poor person needs is another poor person living nextdoor to him.

It also impacts in terms of children. If children grow up in a community without seeing positive role models, that is going to have a major impact on their success downstream. I grew up in a community where I saw teachers, I saw lawyers, I saw a doctor of agriculture from Tuskegee Institute, whom I got my first job from, Dr. Johnson. I saw them go to work. I worked for one of them. They helped build my work ethic.

But these children today are not seeing them. So that the year-around jobs program for children becomes essential for two reasons. One, and more importantly than the money, it puts our children next to people who come to work every day, who do not wear an earring, who can speak the King's English, who understand what it is to provide an employment product. And second, it provides funds to the families. And if you tie that to success in school, you get a role model, you get them staying in school, and you are putting money in those families' pockets.

Senator SIMON. I could not agree more with your statement.

What would happen—I know you cannot answer this with any precision—but what would happen to the crime rate in Cleveland if we were to guarantee a job opportunity to every citizen in Cleveland?

Mayor WHITE. Senator Simon, I have never bought a lottery ticket. I do not go to Las Vegas. I do not gamble. It is not something that I do. But I would bet a year's pay that crime would go down and go down significantly.

I have said this to anyone who would listen. I have said it to the President both publicly and privately. The way I look at it, Senator, is that I go through this with my own staff all the time when we want to try to change something, and there is a lot of fear about changing from where we are to where we think we need to be, but it has not been proven, so there is fear of failure. When I look at it in terms of welfare, we know we have failed in welfare. It has failed; it is a massive failure. So if we adopted your program tomorrow and possibly added and embellished the youth component, at the very least, the worst we could do is what we are doing today, and at the very most is to make a major substantive impact on the lives of our citizens in terms of economics and on the lives of our total community in terms of crime.

We cannot afford not to take this chance and to move away from our failures.

Senator SIMON. I thank you.

In your statement, Commissioner, you say: "Individuals who enter the JOBS career-focused education and training phase are those that the State believes will be employable after up to 2 years of education and training." Are we going to have a lot of rejects under this proposal?

Ms. Rowe. No, Senator. What we are proposing is that there are individuals who come into our system who have a number of barriers; it may be a substance abuse barrier, a lack of education, a basic skills barrier. Those individuals would go into the job preparation phase. We would establish what we are calling a graduation rate for the States so that people could not linger in that job prepara-

ration phase and would then have to move into the career-focused education phase for their next step to employment.

So we would not anticipate that there would be a lot of people that we would keep out of the system. What we are saying is we will give you the time to get what you need so that the career-focused education phase of this and the 2 years' limitation on that will be beneficial.

Senator SIMON. You mentioned one thing—and Mayor, you may want to comment on this as well—and that is getting word out on the Earned Income Tax Credit. I find just a great many people who are eligible have not even heard about it.

Do you have any comments on what we can do in this regard?

Ms. Rowe. One of the things that we are doing, Senator, is we are training all of our intake staff and all of our staff who work in our welfare offices on the Earned Income Tax Credit and who is eligible, and it will be part of their discussion with clients when they come in to apply, particularly those who are in some kind of part-time work or entry-level work, any kind of job.

It is surprising to me the lack of knowledge about this benefit—on the part of the employers as well, and the importance of them encouraging their employees to apply, particularly in the advance of that tax credit or that tax benefit in their monthly paychecks, as opposed to waiting until the end of the year and filing it as part of their income.

I think many of these individuals when we have talked to them in focus groups, because their income is so low, and they do not have to file at the State, the assumption is that they have no benefit out there that they can receive.

Senator SIMON. Mayor?

Mayor WHITE. Senator, Congressman Bobby Rush from your home State spoke to our National Conference of Democratic Mayors yesterday, and he was very eloquent about the program and how important the program is, and I would have to agree with Commissioner Rowe that clearly, we have not taken as full advantage of this program as we should. And quite frankly, we believe that the mayors and the conference and beyond can be an even more productive forum for communicating this, and I have indicated that to Jerry Abramson, our chairman.

Senator SIMON. You mentioned one other thing, Commissioner, that I think is important, and that is that as we move ahead on this, we work with the labor unions. There is no reason why we should be in conflict on this. The right kind of program ought to be of assistance in creating more jobs that are union jobs, and everyone should be able to benefit. But if we do not do this the right way, we are going to end up in conflict, and we can get bogged down.

Ms. Rowe. Yes, Senator.

Senator SIMON. I thank both of you very, very much.

Mayor WHITE. Thank you, Senator.

Ms. Rowe. Thank you very much, Senator.

Senator SIMON. We appreciate the leadership you are providing.

Our final panel is made up of Leila Hardaway, deputy director for social services of the Franklin County, OH Department of Human Services; Kathleen Selz, the director of the National Asso-

ciation of Service and Conservation Corps; and Thomas Brock, a senior research associate with Manpower Development Research Corporation in New York.

We welcome all three of you. Ms. Hardaway, we will start with you, please.

STATEMENTS OF LEILA HARDAWAY, DEPUTY DIRECTOR FOR SOCIAL SERVICES, FRANKLIN COUNTY DEPARTMENT OF HUMAN SERVICES, COLUMBUS, OH; KATHLEEN SELZ, DIRECTOR, NATIONAL ASSOCIATION OF SERVICE AND CONSERVATION CORPS, WASHINGTON, DC; AND THOMAS BROCK, SENIOR RESEARCH ASSOCIATE, MANPOWER DEVELOPMENT RESEARCH CORPORATION, NEW YORK, NY

Ms. HARDAWAY. Senator Simon and members of the subcommittee, I really appreciate the opportunity to appear before you today. I have had experience in the Community Work Experience Program with the State of Ohio and in my current position with the Franklin County Department of Human Services.

In 1983, the State of Ohio implemented work programs in five of its 88 counties. During the first 2 years, the Community Work Experience Program component was by far the largest component that we had at that particular time. This program took over the general assistance program in these counties, and utilization of other program activities such as Job Club and Education and Training varied by county.

The program was evaluated in 1985, and during this time, the program was found to provide tangible services to the community, while at the same time it provided an opportunity for participants to gain work experience, establish work habits, promote self-esteem and personal motivation. Individuals associated with the program, such a work site sponsors, work site supervisors, the program participants, the staff, all viewed this particular program as having a real value to the community, so they received very positive comments.

There were positive feelings on the nonwork program activities, which include family life, children's attitudes, and self-development. The program had a high degree of popularity among all affected groups, including recipients who had been sanctioned during that time for nonparticipation.

During July 1989, the JOBS program was implemented in 41 of Ohio's work program counties, and at that time, Franklin County implemented the program in 1991. Since that time, we have made tremendous progress in establishing a broad-based program for our public assistance recipients.

I think we are innovative in what we are attempting to do with the JOBS program. We are participating in a national pilot program being conducted by MDRC. We have won awards from the Department of Health and Human Services on promoting literacy for the program. And we are pleased with our Community Work Experience Program.

We have not implemented this program as a straight trade of labor for benefits. We have reconstructed the program so that we are providing services relating to job training as well as counseling. We market our community work experience activities in the same

manner as we market the on-the-job training component. We keep in contact with sponsors and participants and resolve minor concerns before they become major problems.

The sponsors understand our desire to place people and provide training for those participants so that they can compete for job openings in their communities and also in their organizations.

As a result, our JOBS participants in Franklin County are being hired in private sector and nonprofit organizations in entry-level positions. In 1993, we had over 80 participants hired directly from our Community Work Experience Program in the private sector and in nonprofit agencies and private nonprofit agencies.

We use our own agency as a training pool to pull recipients to refer to job openings or to employers that have listed with the county.

As you know, the Community Work Experience Program placements are restricted to positions in public or private nonprofit agencies. However, people are placed in jobs in the private sector as a result of their experience in the Community Work Experience Program. We believe the private sector should become involved in the Community Work Experience Program for job creation in entry-level positions. The success of our job development unit in marketing our program to employers in the private sector has convinced us that private sector placements can be located for Community Work Experience participants.

Our marketing efforts include regular employer breakfasts to which key community employers are invited to discuss job possibilities. A presentation explains the services that we have available to the employers, particularly applicant screening, computerized position/applicant matching, and retention assistance after the JOBS participant is employed, including an expense allowance and transitional benefits during the first year of employment.

As a part of our marketing program, we have organized a business advisory board. We have had our first meeting, and we received very positive responses and a great deal of input from the employers. These employers were recruited during the employer breakfasts, and we have about 20 who have agreed to help us out with our marketing.

JOBS needs to locate or create more moderate-paying jobs with medical benefits. Our goal is to locate job opportunities which are permanent and offer a higher standard of living to our employed participants. We believe this goal can be achieved through marketing to private sector employers, expansion of Community Work Experience Program placements to the private sector, and expanding the OJT component.

While improving job creation is essential, it is important to note that the welfare population is not all alike; different types of services are best for certain types of recipients. If the policy objective is to reduce long-term welfare dependency, then employability development services, career planning, basic education, job development, training, and extensive individual social services must be available.

In order to achieve the goal, I would recommend that legislation be passed which would allow for flexibility of program design at the State and local levels; permit private sector involvement in job cre-

ation including Community Work Experience Program; market CWEP assignments to employers the same as we do OJT. I think we need to review the current CWEP policy of calculating the hours of participation after the first 9 months at the prevailing wage. I think this policy is counterproductive to the requirement mandating ADCU participants to work 16 hours a week, and I think it is detrimental to the States in trying to meet the participation rate under the JOBS program at this point.

I think the total JOBS program needs to be viewed as an economic development section with the community.

Again, I would like to thank you for allowing me the opportunity to testify today.

Senator SIMON. Thank you very much.

[The prepared statement of Ms. Hardaway be found in the appendix.]

Senator SIMON. Ms. Selz?

Ms. SELZ. Mr. Chairman and members of the subcommittee, thank you for inviting me to testify today. I am privileged to represent the National Association of Services and Conservation Corps, also known as NASCC. NASCC is the membership organization and advocate for youth corps programs nationwide. It is a great privilege to have this opportunity to speak on their behalf this morning.

Today there are more than 90 youth corps programs across the country, operating with total annual budgets of almost \$162 million. When I testified before you in May of 1992, there were fewer than 65 corps, with total budgets of \$131 million. So I am pleased to report that the youth corps field has grown since you last heard from us.

Of those 30 or so new programs within the past 18 months, some derive funding and their impetus from the National Community Service Act of 1990. Many others, however, were started without targeted Federal money, with State and local money, and also by accessing JTPA support.

I just want to say that the corps have benefited from, and are very grateful to you as well as to Senator Wofford, for including the corps-friendly provisions in the 1992 JTPA Amendments. We are beginning to take good advantage of what you had in mind.

For other members of the subcommittee who may read my written statement, I would just note that we have corps in Iowa, Maryland, New Mexico, Pennsylvania, South Carolina, and New Hampshire as well.

In his State of the Union message earlier this week, President Clinton talked about expanding opportunity and creating jobs. he then stated, "But if we are honest, we will all admit that this strategy still cannot work unless we also give our people the education, training and skills they need to seize the opportunities of tomorrow."

This is exactly what youth corps do. They provide young adults with the tools they need to enter the job market or pursue further education or vocational training.

In my written statement, you will find a description of how the corps are organized, how they are funded, the kinds of projects that they do nationwide—everything from building trails in Yosemite

and other National Parks and Forests, to clearing out rubble-strewn vacant blocks on 134th Street in New York City to create safe playgrounds and a beautiful center for the community.

The corps are enormously diverse in their organization, in their funding, and in the kinds of projects that they do. However, they do have many things in common. First, the corps are full-time programs which provide young men and women ages 16 to 25 with job training, education, and public service opportunities. Corps undertake service activities which meet the real needs of their communities and, in the process, prepare participants for the future. Corps promote self-esteem, leadership, citizenship and community involvement.

All corps also provide participants with at least a stipend. Most, however, pay minimum wage or, when possible, even more than the minimum wage. Corps also provide education, job training, and life skill classes during the course of every week.

A day of a typical corps member might look like this. From 7:30 to 8 a.m., physical training; from 8:30 to 10 a.m., either preparation for the GED, other kinds of formal education, or life skills education; from 10:30 until 12, and then again in the afternoon from 12:30 to 4:30, work on community projects. Finally, in the evening, journal writing and reflection.

All corps operate in crews, 8 to 12 young people working under the supervision of a paid, caring adult. Through this arrangement, they learn teamwork skills, how to count on one another, and also how to support one another in a common endeavor.

Corps also provide an experiential education as well as formal education. We are developing a unique program called "work learning." Most of these young people have not fared well in the traditional educational system. What we do is combine the work that they are doing in the field with serious competency skill development.

Finally, all corps do meaningful work. Harking back to your statements about CETA and other kinds of jobs programs, I think that is very important to note. The tight-fisted States legislatures in Washington, Montana, Illinois to some extent, Wisconsin and Pennsylvania would not fund these programs year in and year out if they were not getting value for their money. Regretfully, we do not have a statewide program in Illinois, but we do have several small summer corps program, among them one of the first that was ever launched, in Lake County, IL.

Those are the things that the corps have in common. I would like to tell you a little bit about the young people who are enrolled in our programs. Although the corps are made up of a racially and culturally diverse mix of young people, the typical corps member is at risk of not making it educationally and economically. Many corps members have young children, live in households receiving public assistance. The majority of young people entering the corps enter without a diploma; they are among what has been described as "the forgotten half," of youth in this country who are not college-bound.

Some enter the corps to gain a GED, others to learn concrete work skills or to earn a wage. Still others enter in order to be more

involved in their communities. Many corps members find the corps dramatically changes their lives for the better.

Today I have brought along copies for you and the other subcommittee members of our new publication, "Turning it Around." It presents the stories of corps members and their supervisors talking about what happens in the corps and how that changes their lives. I wish I could have a corps member with me. However, I would like to read just part of one story to give you a sense of what is happening in these programs.

Raquel Rogers from San Diego. "When I was 10, I came to San Diego from Tijuana, and I started school. I finished through the 11th grade. When I stopped school, it was because I got pregnant. I had my little girl, and from there on, I did little odd jobs, you know, to keep me and my little girl together. But then I found this job, which is really great, because this job is everything. I have learned a lot of skills, and once a week, I go and work on my GED. I do not have long to finish that. Recently, they sent me to get leadership training, and hopefully I can become a supervisor. If I had not gotten into this program, I would probably be at the house right now, doing nothing, watching my kids, and I would probably still be on welfare. It was like a nonstop circle, because here in San Diego, for me, it was really hard to get a job. For one thing, I am a minority, and I do not have my high school diploma. And even if I did get a job anywhere, I would not be making enough to support my kids. Here, I have been doing trail work and litter removal on the freeway. The work is fun. It seems like it is hard, but when you are around a lot of people, it is like a big family. It is like everybody cares about everybody, about building something for the future. You know, later on, when my kids grow up, I am going to take them there and say, 'This is what Mommy did when you were small. Mommy and the crew did this.' Projects like this are what really make it in the future. The things we do make a difference."

The stories from Raquel and the other corps members provide ample testimony, I think, to the fact that the corps do provide that spark of hope that you are seeking with the new legislation.

Corps provide work, training, and a community for those who are on welfare, who are unemployed, who have dropped out of school, and for some who have been involved in the criminal justice system. Corps provide jobs, job training, and the vital link to a greater job market.

Participants learn hard skills such as those needed for forestry, trail maintenance, recycling, carpentry, painting, human services delivery, as well as basic educational tools necessary for employment. Corps members learn the value of work. They explore their own goals and their skills. They learn the important basic of writing a resume, interviewing, seeking out available jobs. Finally, the corps managers assist each participant in making the transition from the corps to other, hopefully more permanent work, placing them in jobs, apprenticeship programs and internships.

Through the attainment of education and job skills, current and potential welfare recipients are becoming members of the paid work force. Corps thus function as a very good example of a welfare-to-work program.

I would just like to add that in many corps—and I think immediately of the one in Milwaukee—the corps makes a strong case to the young people, particularly to the young men, to fulfill their responsibilities to their children. When our corps director in Milwaukee talks about the contributions that his program makes to the economy, he often says, “And I have a dozen young dads today who are supporting their children, who were not before they walked into the corps.”

Senator SIMON. If you could conclude, please, because we are running into some time problems.

Ms. SELZ. I will do that, Senator.

The National Association of Service and Conservation Corps appreciates and supports the intent of the Community Works Progress Act of 1993. As you and your colleagues consider how to expand jobs and public service opportunities for young adults, I urge you to include State and local youth corps. The corps provide both immediate employment and preparation for more advanced work. Thus the corps are addressing many of the same goals that you are with your legislation.

The corps have long waiting lists for both participants and work projects that need to be done. Thus, they could expand quickly if funding becomes available.

Our goals are so similar that I hope that we will be able to work together on this. Indeed, it is my hope that you will think about carving out a special place for youth corps in this legislation. We are doing what you want to do on a larger scale. Because of the chronic shortage of funding, we are doing this work foxhole by foxhole; we could and wish to do it on a much larger scale.

Thank you for your leadership in this important area.

Senator SIMON. We thank you, and we do want to work with you on this, because I think you have hit on something that is important.

[The prepared statement of Ms. Selz be found in the appendix.]

Senator SIMON. Mr. Brock?

Mr. BROCK. Good morning. I appreciate very much the opportunity to testify before you here today about research that the Manpower Demonstration Research Corporation has done on unpaid work experience programs, or CWEP programs, as they are commonly called, for people on welfare.

Manpower Demonstration Research Corporation, or MDRC, is a nonprofit and nonpartisan research organization that evaluates the effectiveness of employment and training programs for various disadvantaged groups, including people on welfare.

I will begin with a brief definition and then will address five questions that are often asked about unpaid work experience. Unpaid work, quite simply, involves assigning people on welfare, specifically recipients of Aid to Families with Dependent Children or AFDC, to community service jobs either in Government or the private nonprofit sector as a condition of public assistance. Participants in these programs do not receive any compensation other than their welfare check, although they do often receive support services like child care and transportation payments.

Typically, the work assignments in these programs last for about 3 months. In some places, the number of hours of work is limited

to 20 hours per week; in other places, the number of hours of work is determined by dividing the amount of the welfare check by the minimum wage.

Now that welfare reform is once again on the national agenda, a number of policymakers are looking to unpaid work experience as a possible option for reform. Supporters of this approach claim that it may accomplish the following.

One is to introduce a reciprocal obligation to the welfare system. This is simply the idea that welfare recipients should give something back to the public for the benefits they receive.

Second is to allow valuable community work to be performed. Third is to increase the employability of welfare recipients, and fourth is to reduce welfare rolls and costs.

In the 1980's, MDRC conducted a number of evaluations which helped to shed some light on the extent to which these goals can be achieved. The evaluations we conducted were of real programs that were operated by State and county welfare agencies across the United States. The evaluations were unusually rigorous in that they involved a random assignment methodology where one group was assigned to a program that received unpaid work experience and possibly other services, and another was assigned to a control group that did not participate in these programs. So the difference between the two provides us with a reliable estimate of the impacts of unpaid work experience over and above what welfare recipients would accomplish on their own.

All nine of the evaluations that we conducted provided data on the implementation and costs of these programs. Three of the evaluations—in San Diego, CA; in Cook County, IL, which is Chicago, as you know; and West Virginia—allowed us to specifically isolate the effects of unpaid work experience on participants' earnings and welfare payments.

The first question that is usually asked about unpaid work is also the most basic and that is, are these programs feasible to operate. I think you have already heard testimony here today saying that the answer is yes, and indeed our research backs that up.

I would emphasize, though, that all of the programs that MDRC studied tended to be very small-scale. The one exception was in West Virginia which, over the course of the study, kept more than 1,900 persons enrolled in these programs. The next-largest, though, was in Cook County, which enrolled a little under 400 people. The other programs were much smaller still. And if there is interest, I can discuss some of the reasons for the small nature after we are through today.

A second question that is often asked about unpaid work experience is whether or not it can provide meaningful work. Once again, in the programs that MDRC studied, the answer is yes, it can. Most of the jobs in the programs we studied were entry-level clerical positions or janitorial maintenance jobs. Examples include serving as office aides and receptionists for community nonprofit agencies, serving as mail clerks for city agencies, assisting in day care programs for children or handicapped adults, helping the public works department sweep and repair streets, and gardening in city parks.

We conducted a participant survey and found that a large majority of participants liked their jobs overall and said that they looked forward to coming to work. They also thought that a work requirement was fair, though they would have preferred a real job.

We surveyed the supervisors at these work sites as well, who told us that the work participants performed was important and rated participants nearly as productive as regular paid employees. However, the supervisors did not think that the work assignments generally allowed participants to obtain new occupational skills.

These findings suggest to us that unpaid work experience is not necessarily punitive or exploitative as some critics have feared, but neither does it seem to be training people in new occupational skills. The truth seems to be somewhere in the middle.

A third question about unpaid work experience concerns its effectiveness. Specifically, does it lead to earnings gains, that is, unsubsidized earnings in the private market, or to decreased welfare payments? In general, the answer here is negative.

In the three studies where we were able to isolate the effects of unpaid work experience, we found positive earnings effects only for one group, and that is for female AFDC applicants in San Diego. However, we did not find any earnings effects for the mostly male applicants in San Diego nor for the mostly female AFDC applicants and recipients in Cook County or West Virginia. And in none of the studies did these programs lead to reductions in welfare payments that were specifically attributable to the unpaid work experience.

In sum, although we have only several studies to draw from, the findings do not suggest that unpaid work experience is an effective means of increasing earnings or reducing welfare payments, at least as they were operated during the 1980's.

A fourth question that is often asked about unpaid work experience is how much does it cost. The first point I would like to make is that unpaid work experience does have a cost. Even though we are simply talking about making people work in exchange for welfare, there are costs involved in work site development, client intake, assignment and monitoring, and support services, such as transportation and child care.

MDRC's analysis of the costs of the 1980's programs suggests that in today's dollars, a reasonable amount of the cost of keeping one of these work positions filled would range from between \$2,000 and \$4,000 per year exclusive of the child care costs.

A fifth and final question is whether or not there is research evidence either from the unpaid work experience studies we conducted or other MDRC evaluations to suggest that a large-scale community work program for welfare recipients is feasible.

As I indicated, in the MDRC studies, only the West Virginia program can truly be considered a large-scale program. This was made possible in West Virginia by several things. First of all, achieving high participation was an explicit goal in the State, and they had special funding provided for this purpose. The State welfare agency also has a long history of running work programs of this type. And indeed, I would note in West Virginia, where unemployment rates tend to be fairly high, unpaid work experience almost came to be viewed as comparable to a public works program and enjoyed considerable popular support.

Even with strong backing, though, there may be some practical limitations to the scale at which unpaid work experience programs can operate. And here, I think New York City's experience during the 1980's provides a sobering example.

Mayor Ed Koch was a strong and consistent supporter of unpaid work experience, and indeed, under his leadership, New York City ran one of the largest such programs in the country, enrolling 7,500 participants at its peak. Nonetheless this was out of a mandatory adult AFDC population of 125,000. Given that the total paid municipal work force in New York City is a little over 300,000, it becomes clear that the objective of finding unpaid work experience slots in city government for every welfare recipient would be tantamount to increasing the number of city workers by about a third.

Moving beyond unpaid work experience, other MDRC research—specifically, the evaluation of the youth incentive entitlement projects—provides some evidence that Government agencies can provide meaningful jobs on a large scale. Youth entitlement was the Nation's first and only attempt to run a guaranteed jobs program. It offered minimum wage jobs to low-income youth between the ages of 16 and 19, provided that they remained in school and met certain academic and job performance standards.

Youth entitlement operated in 17 communities around the country between 1978 and 1980 and was run under the Comprehensive Employment and Training Act, or CETA.

Senator SIMON. Could I ask you to conclude your remarks, please?

Mr. BROCK. Yes, Senator. I would just note that youth entitlement did deliver on the job guarantee; it provided work for more than 76,000 youth, and this youth also was meaningful work. The things that made this possible were that first of all, there was adequate funding; work sites were developed in both the public and the private sectors; the CETA prime sponsors generally had the managerial experience and organizational relationships, again especially with the private sector, to develop this many work sites, and again, there was broad-based support for the demonstration in the study sites.

I would just suggest in conclusion that these same factors—that is, adequate funding, work site development that includes the private sector, managerial experience, and broad-based political and public support—probably are the essential building blocks for any large-scale work program for welfare recipients.

Thank you.

[The prepared statement of Mr. Brock be found in the appendix.]

Senator SIMON. I thank you.

Ms. Hardaway, you mentioned that under your CWEP program, 936 workers were assigned. That is out of how many that would be on welfare in Franklin County?

Ms. HARDAWAY. The welfare population of Franklin County, AFDC, is about 26,000. When you add your food stamp population in there, it brings it up to about 49,000 cases.

When I was referring to the 936 cases that were assigned to the Community Work Experience Program that particular year, 1993, it was out of a total of participation for the JOBS program only, not to include the AFDC population, but normally, we have about

4,000 or 5,000 individuals participating in the JOBS program on a monthly basis. And of course, that 936 would be out of that population.

Senator SIMON. And to what extent can this be expanded? In other words, are you near the outer limits? Could it be doubled, tripled? And then, one final question. Being in Columbus, OH is very different from being in, say, a rural community. Could this be replicated in a rural community?

Ms. HARDAWAY. Earlier in my testimony when I mentioned the five initial counties back in the 1980's, most of those were rural counties, and it was highly successful at that time. So my response to that would be yes, it can be replicated.

I think as you find in work program counties or any employment and training programs that have been in operation for a year or more, the Community Work Experience Program has a tendency to decrease, because we are finding the need for education and training—adult basic education, for example—is by far the largest component that we are operating in Franklin County, and that is normally 40 to 60 percent.

Senator SIMON. Thank you.

Ms. SELZ, the original CCC program was a residential program. What percentage of these 90 programs today are residential programs?

Ms. SELZ. There are only three that have a residential component—California, Ohio, and Florida. So it is well under 10 percent of the total number of slots available. Most programs are nonresidential, based in communities.

Senator SIMON. I assume the residential programs, while they might be more successful, are much more expensive?

Ms. SELZ. Considerably so. Nonresidential programs in a State like Wisconsin, which has a large number of corps members, cost from \$13,000 per corps member per year up to smaller programs, \$17,000 or \$18,000, in a residential setting. Specifically the ones in California, the total cost per participant is closer to \$31,000 annually.

Senator SIMON. So it is appreciably more expensive. The one other point that you make that is so important in all of this, that you made as a final point, is that they have pride, as you read from Raquel's experience. We have to give people the opportunity for pride. Too often, we just are not doing that.

Mr. Brock, I was particularly interested in your statement when you said, "The evaluation of the youth incentive entitlement project provides some evidence that Government agencies can create meaningful jobs on a large scale."

Mr. BROCK. Yes.

Senator SIMON. Under the old WPA, one of the things that was amazing was what a short time there was between the moment that President Franklin Roosevelt said we are going to have this program, and when we had people out there, working and doing an effective job.

Let me ask you one very simple, broad-based question, and you may want to respond to this in writing because it is so broad. All of a sudden, you are here instead of Al D'Amato or Pat Moynihan.

You are a member of the U.S. Senate, and you can draft any kind of a jobs bill that you want for the Nation. What would you do?

Mr. BROCK. I think that is one I would like to think about more, but just off the top of my head, I think a lot of the things you have heard today certainly can be drawn upon. I would really strongly endorse what Ms. Hardaway had to say about, first of all, building up the JOBS program, in terms of providing education and training for poor people on welfare, job search assistance. I think there is quite a bit of evidence to show that those kinds of programs really do make a difference, and I think those have to be part of the calculation, because indeed if you are thinking about something like unpaid work experience and trying to do that for everyone, the scale really does begin to overwhelm you. So you need to think about what can you be doing to prepare people for regular entry into the labor market through normal avenues like that.

In terms of thinking about a jobs creation program and a public jobs creation program, I think that also does need to be a component of any legislation, and I would support that very much. Again, I think the key factor is just making sure that there is financial backing for it so that it is real, and to look at it, I think, with quite a wide angle, thinking about not only what could be done within the public sector in the context of a jobs creation program, but also how this might be able to work in conjunction with the private sector and really thinking about this as an overall economic development strategy.

Senator SIMON. All right. If you want to reflect on that some more and put more in writing, I would be interested in hearing what you have to say in specific terms.

Mr. BROCK. OK.

Senator SIMON. I might mention to the three of you, and we will get word to the previous witnesses, that we have had a request that we keep the record open for 1 week. There may be some written questions submitted to you. So we will keep the record open, and if there are written questions submitted to you, if you can respond as quickly as you can, that will be appreciated.

Thank you very much.

[Appendix follows:]

APPENDIX

PREPARED STATEMENT OF MAYOR MICHAEL WHITE

Senator Simon, members of the committee, I am Michael White, Mayor of Cleveland, a trustee of the U.S. Conference of Mayors, and the chairman of the National Conference of Democratic Mayors. This is an important hearing, and I am thankful for the opportunity to participate. It is important because in this moment in America, the most powerful country in the world, there are millions of scared Americans and desperate Americans—black, white, brown, yellow and red . . . from east, north, south and the west . . . white collar, blue collar and no collar, who are desperate and afraid because their American dream of gainful employment has been shattered beyond belief.

It is for these Americans, both urban and suburban, for whom I have come to speak.

We urge you to enact legislation this year which will establish a jobs program that will enable us to put Americans to work at jobs for which there is a real need. The community works progress act which you and Senator Boren are co-sponsoring is such legislation. It would make it possible for cities to create jobs and provide an important employment opportunity for low-income unemployed persons and for our young people. The benefits are mutual and significant. Not only would we be able to address important community needs, but we would be able to provide a salary and work experience to those who currently have neither. Instead of being on the outside glaring at America, they would become a part of the system.

The needs of our communities are varied and considerable. There are hundreds of thousands of public works and community development projects which need to be undertaken in our schools, churches and hospitals. The Conference of Mayors has documented them. And there are at least as many community service projects that need to be done: we need more aides in our child care centers and in our senior citizen facilities. We need to keep our parks clean and make improvements in them. We need to provide recreational activities for our children. We need help in our homeless shelters and soup kitchens. And we need crews who can undertake neighborhood cleanup and improvement projects.

Some jobs may require skilled workers; many more will just require people who can gain the needed skills on the job. Regardless, we know the people are there. Unemployment rates in many cities remain well above the national average. When you adjust the official unemployment rate to include discouraged workers and part-time workers seeking full-time jobs, then the real unemployment rate for cities is more than twice the national average.

In my own city of Cleveland the official unemployment rate is more than twice the national average. But in some sections, the unemployment rate approaches 50 percent, and you can find the same level of unemployment and worse in sections of nearly every city—large and small—across this country. If these averages were national unemployment figures, the President and the Congress would declare it a national emergency!

In his State of the Union Address, the President spoke about the need to get tough on crime. I applaud those efforts. We must rescue the streets of our cities from the lawless thugs who prey on the innocent and keep repeat criminal behind bars where they belong. I stand solidly with the President in this regard. And I personally support the "three strikes and you're out" policy.

But there is a root cause to crime that must be addressed. Yes, we can build more prisons and create bigger welfare programs and develop bigger and better and more expensive gun buy-back programs. But until we seriously address the lack of jobs, which for too many citizens turns into hopelessness, despair and alienation, crime and violence will only increase. This lack of jobs, the real root cause of crime, will further the decline of our communities, both urban and suburban, and make them more like war zones.

Ask yourself . . . when was the last time a gainfully employed citizen in your hometown participated in a drive-by shooting . . . mugged a little old lady . . . sold drugs on the corner, or robbed a bank. Citizens who have hopefulness don't by and large commit these crimes because, by virtue of their employment, they feel a part of their society.

If we are to reweave America's social fabric, we must attack the jobs deficit with a vengeance never seen before. The challenge of creating jobs for our citizens is not a hand out, but a hand up. And it sure beats the socially debilitating effect of welfare. How many alternatives are there for people who cannot work for their livelihood, who cannot find employment to provide for the need of their family. I know that the overwhelming majority of the unemployed in my city want to work. Many

come to see me the first Tuesday of every month when I open my office to any resident who wants to see me. They say, "mayor, I need a job. I want to work." I urge that any public service jobs legislation which you enact assures that the mayor has a strong partnership role. We are aware of our communities' needs and of which local agencies can put meaningful programs together to meet these needs. We don't want phony "make work" jobs any more than the congress does. Through our local employment and training and human services programs we are in touch with the people who need the jobs. We must be involved in this program if it is to succeed in our cities.

I also urge that we view and treat equitably all community service jobs program. We are all excited by the potential of the new community and national service act—the potential for our communities and for those who serve. We must make sure that any other community or public service jobs programs—programs created through the community works progress bill, through welfare reform or through some other vehicle—be viewed as positive, important programs for a community and for those who do the jobs. Providing a positive work experience along with needed income to the worker and getting a needed job done for the community are the important elements.

Again, I appreciate the opportunity to appear before you this morning and will be happy to respond to any questions you might have.

PREPARED STATEMENT OF LEILA HARDAWAY

Mr. Chairman and members of the Committee: I appreciate the opportunity to appear before you today. I am here to share my experiences with the Community Work Experience Program (CWEP), which includes previous welfare to work programs in the State of Ohio and Franklin County in Columbus, Ohio.

In the early 1960's, Ohio developed a work relief program for General Assistance recipients which is the predecessor to the present Community Work Experience Program (CWEP). In 1981, Congress gave states the authority to develop CWEP activities for recipients of Aid to Families with Dependent Children (AFDC).

Ohio developed legislation to implement a comprehensive employment, education and training program for recipients of AFDC and General Assistance. This legislation mandated a variety of program activities to satisfy the needs of all levels of recipients; Job Club, Community Work Experience Program, Subsidized Employment Program and Education and Training alternatives. In 1982 legislation was passed which authorized initial demonstration programs in five counties beginning in 1983.

During the first two years, the CWEP component was by far the largest component, with approximately two-thirds of all participants assigned to CWEP. The CWEP component essentially took over the GA Work Relief program in the counties, grandfathering in most of the participants. The utilization of Job Club and Education and Training components varied by county.

During this time, CWEP was found to provide tangible services in the community while providing an opportunity for participants to gain work experience which increases their work skills, establishes work habits, creates employment references and promotes self-esteem and personal motivation. The community linkages and service provision positively promote the work program and dignity of public assistance recipients in each county.

Individuals associated with the program throughout the state such as worksite sponsors, employers, program participants and staff, generally view the program positively. The positive feelings impact on the non-work program activities including family life, children's attitudes and self-development. The program delivers welfare savings to taxpayers and produces job training, education and self esteem. Many outcomes will never be reflected in statistical summaries.

As each county gained experience in operating the programs, the focus shifted to education and training in some counties.

Ohio continued to phase in counties under the Ohio work program until the passage of the Family Support Act of 1988. By this time, 41 of Ohio's 88 counties were participating in work programs.

As a result of the legislation, CWEP was expanded to provide experience and training for individuals not otherwise able to obtain employment in order to assist them to move into regular employment. CWEP is required for all mandatory participants who are not involved in other components. CWEP is for persons who have completed Job Club and did not secure employment for those who are waiting to enter Job Clubs or Education and Training or for those who would benefit from the experience gained from working in various job sites which may be assigned.

Franklin County has made tremendous progress in working with our public assistance residents. We are innovative, conduct pilot programs, have won awards and have won recognition in the area of getting jobs for our participants.

We are particularly pleased with our Community Work Experience Program (CWEP). We do not accept the reputation of CWEP as a "make work" government project, we believe CWEP can be used to train for and lead to jobs, in other words, to create jobs. We demonstrate how this can be accomplished in our own agency where we use CWEP placements to fill needed positions, train them while they are placed and hire those who demonstrate they can do the job.

During 1992 the Franklin County CWEP program was restructured. Agreements with worksites were updated, new job descriptions were written, and the handbook for procedures was revised. New CWEP placements were actively sought by members of the JOBS staff.

Members of the Resource Unit of JOBS, whose responsibility it is to conduct the CWEP program, are constantly working to identify sponsors that can provide entry level positions and train ADC recipients to fill the jobs. Unit workers identify needs of clients, review resumes, work histories and educational experiences in order to place them in appropriate job settings. Some of the types of jobs CWEP workers fill are: word processors, clerk typists, receptionists, computer operators, data entry clerks, maintenance workers and other entry level positions. New site development has resulted in placements in the City of Columbus Municipal Court, City of Columbus Health Department, Division of Sewers and Surveillance Laboratory for Lab Assistants. Hospitals have accepted JOBS participants in the OB/GYN clinic where they receive experience to prepare them to enter the Columbus State Community College's nursing program. CWEP placements have led to employment in the Salvation Army and the Columbus Metropolitan Library.

During 1993 a monthly average of 936 CWEP workers were assigned to work a total of 383,302 hours during the year. This estimate of labor value resulted in \$1,650,283.00 for the year.

In 1993, over 80+ CWEP participants received full-time employment as a result of their CWEP experiences. CWEP participants were hired in the public nonprofit sector, private nonprofit agencies and in the private sector. Those hired in the private sector were first placed in the public sector where they gained experience, then found full-time jobs in the private sector based on their experience.

As you know, CWEP placements are restricted to positions in public or profit agencies. However, people were placed in jobs in the private sector. As you know, CWEP placements are restricted to positions in public or private no result of their experience in CWEP. We believe the private sector should become involved with CWEP for job creation in entry level positions.

The success of our Job Development Unit in marketing our program to employers in the private sector has convinced us that private sector placements can be located for CWEP participants.

Our marketing efforts include regular breakfasts to which key community employers are invited to discuss job possibilities. A presentation explains the services we have available to employers, particularly applicant screening, computerized position/applicant matching, and retention assistance after the JOBS participant is employed, including an expense allowance and transitional benefits during the first year of employment.

As a part of our marketing program, we have also organized a Business Advisory Board for the JOBS program. The purpose of the advisory board is to provide input regarding employer/employee trends in Franklin county and to assist with the creation of positive interaction with the general public. Volunteers from the business community who serve on the Board were recruited at the Employers' Breakfasts.

JOBS needs to locate or create more moderate-paying jobs with medical benefits. We constantly work to achieve this goal and are hopeful that our marketing will produce results. Our goal is to locate job opportunities which are permanent and offer a higher standard of living to our employed participants. We believe this goal can be achieved through marketing to private sector employers, expansion of CWEP placements to the private sector and expanding the OJT component.

We need your understanding of the possibilities and legislative action to achieve private sector placements for participants assigned to CWEP.

In closing, please know that while improving job creation is essential it is important to note that the welfare population is not homogeneous. Different types of services work best for certain types of recipients. If the policy objective is to reduce long-term welfare dependency, then employability development services, career planning, basic education, job development, training and extensive individual social services must be available.

To achieve this goal, recommend that you pass legislation which will:

Allow flexibility of program design at the state and local levels.

Permit private sector involvement in job creation including CWEP.

Market CWEP assignments to employers the same as OJT.

Review the current CWEP policy of calculating the hours of participation after the first nine months at the prevailing wage. This policy is counter-productive to the requirement mandating ADCU participants to work at least 16 hours per week because the prevailing wage may be high enough to reduce the mandated hours of participation. It is also detrimental to states in meeting the participation rate based on twenty hours per week.

Thank you again for the opportunity to speak before you today.

[Additional material is retained in the files of the committee.]

PREPARED STATEMENT OF KATHLEEN SELZ

Mr. Chairman and members of the Subcommittee, I am Kathleen Selz, Executive Director of the National Association of Service and Conservation Corps (NASCC). It is a pleasure to have this opportunity to speak on behalf of the nation's youth service and conservation corps.

Today, there are more than 90 youth corps around the country with total annual operating budgets of almost \$162 million. When I testified before you in May of 1992, there were just 65 corps programs with total budgets of \$131 million. The youth corps field has grown since you last heard from us.

Twenty of these programs are statewide; the majority, however, are locally-based. Most corps operate year-round, although some operate only during the summer. Collectively, the corps engage more than 20,000 young adults in full-time community service programs each year.

Corps programs operate under a variety of organizational arrangements. Some are part of tribal, state or local government agencies; others are free-standing non-profit organizations. Corps derive financial support from a wide range of public and private sources, as well as fee-for-service contracts. A few corps, most notably those in California, Florida and Ohio, are residential programs which often offer young people the opportunity to work in wilderness settings; most, however, are non-residential, so corpsmembers live and provide service in their own communities.

Our membership includes some of the oldest and largest corps, such as the California Conservation Corps, and some of the newest, including 30 that have been created since June 1992—some with funding from the Commission on National and Community Service and others with state, local and JTPA support. Let me add that the field has benefited from and is grateful to you, Mr. Chairman, and to Senator Wofford for the "corps-friendly" provisions in the 1992 JTPA Amendments. Members of the Subcommittee might be especially interested to note that we have corps in Iowa, Maryland, New Mexico, Pennsylvania, South Carolina, and New Hampshire.

What Are Youth Corps?

In his State of the Union message earlier this week, President Clinton talked about expanding opportunity and creating jobs. He then stated, "But if we're honest, we'll all admit that this strategy still cannot work unless we also give our people the education, training and skills they need to seize the opportunities of tomorrow. This is what youth corps do . . . provide young adults with the tools they need to enter the job market and/or to pursue further education or vocational training."

The corps are full-time programs which provide young men and women, ages 16-25, with job training, education and public service opportunities in both urban and rural settings. Corps undertake service activities which meet the needs of communities and prepare participants for the future. Corps promote self-esteem, leadership, citizenship and community involvement.

Some corps continue the great tradition of the Civilian Conservation Corps of the 1930's, performing conservation work that otherwise could not be done. Corpsmembers still cut and improve trails, plant trees, build bridges and restore recreational facilities on federal, state and local public lands. Moreover, in keeping with their nature as a readily-deployed labor force, corps programs from California to Florida continue to provide services in times of disaster.

For instance, at this very moment members of the Los Angeles Conservation Corps and the California Conservation Corps are cleaning-up the debris created by the recent earthquake. Similarly, the corps surrounding the Mississippi River were immediately enlisted to assist communities ravaged by last summer's devastating floods. The Greater Miami Service Corps and the Florida Conservation Corps were among the first groups on the scene to alleviate the suffering caused by Hurricane Andrew.

Recent years have seen the expansion of the role of corps, particularly in urban areas, into housing rehabilitation, recycling and other environmental projects as well as direct service to children, the elderly and other vulnerable populations. Corps now help to conserve the fabric of our communities as well as our natural resources.

All corps provide participants with at least a stipend; most provide minimum wage or wages slightly above minimum wage. Corps also provide education, job-training and life skills (money management, personal health, parenting skills) classes. A day of a typical corpsmembers may look like this: Physical training from 7:30-8:00 a.m.; Life skills and general education from 8:30-10:00; Work from 10:30-12:00 and from 12:30-4:30; and Journal writing and reflection from 5:00-5:30.

Who Are Corpsmembers?

Although corps are made up of a racially and culturally diverse mix of young people, the typical corpsmember is at risk of "not making it" economically and educationally. Many corpsmembers have children and live in households receiving public assistance. The majority of young people enter corps without a diploma or GED; most are among the "Forgotten Half" of youth who never pursue higher education. Some enter the corps to gain a GED; others to learn skills or earn a wage; still others enter in order to be more involved in their community. Many corpsmembers find that the corps dramatically changes their lives for the better.

Today I have brought along copies of NASCC's new publication—TURNING IT AROUND, which presents corpsmembers and their supervisors, talking about what happens in the corps and the difference it makes in their lives and in their communities. Their stories provide ample testimony to the fact that the corps do offer greatly-needed opportunities for young people who need a second chance as well as for those who never had a first chance.

Corps and Job Creation/Job Training

Corps provide work, training and a community for those who are on welfare, are unemployed, have dropped out of high school or have been involved in the criminal justice system. Corps provide jobs, job training, and the vital link to the greater job market. Without a corps, most corpsmembers would be unemployed or working at unskilled jobs without a future. Corps provide participants with a variety of hard skills, such as those needed for forestry, trail maintenance, bridge building, recycling, carpentry, painting, human service administration, and direct care delivery.

Participants also master the "educational tools" necessary for these projects. Corpsmembers learn the value of work and explore their goals, skills, aptitudes and preferences. Corpsmembers learn the important basic skills of writing a resume, interviewing, and seeking out available jobs. Finally, corps assist participants in making the transition from the corps to other work, placing them in jobs, apprenticeship programs and internships. Through attainment of education and job skills, current and potential welfare recipients instead become members of the paid labor force. Corps thus function as an excellent example of a "welfare to work" program.

Corps supply the access to education that some corpsmembers need in order to become truly job-ready. They accommodate a broad range of educational needs from corpsmembers preparing for the high school equivalency exam to those who have a high school diploma or GED and want to try out college-level learning and earn college credits. Corps also assist corpsmembers who have low basic skills or who are limited in English proficiency.

Although more intangible than many of the other benefits, corps provide young people with the sense of family and community that alleviates the alienation running rampant throughout our society. For many of our corpsmembers, the corps is truly the first family they have experienced, the first safe, predictable place they have ever been. It is no wonder that many corpsmembers want to stay on after completing their first year. We wish they could, as finding permanent jobs for corpsmembers is one of the greatest dilemmas all corps face.

Before offering some recommendations, I want to stress that corps are more than an employment and training program. Each corpsmember performs hundreds of hours of valuable community service work. Simply stated, corps turn young people into resources rather than problems. Youth corps are in the business of changing lives and in the process they change communities too.

Recommendations

The National Association of Service and Conservation Corps appreciates and supports the intent of S. 239, the "Community Works Progress Act of 1993." As this subcommittee and your colleagues consider how to expand job and public service opportunities for young adults, I strongly urge you to include state and local youth corps in your plans. Youth corps provide immediate employment and prepare young

people for more advanced jobs. Thus, the corps address many of the same ends you seek in the Community Works Progress Act. Moreover, all corps have long waiting lists of both participants and work to be done. They could expand quickly, if funding became available. Our goals are so similar that we would do well to work together. Indeed, it is my hope that you will carve out a special place for youth corps in your legislation.

Additionally, based on the experience of the youth corps community, I would advise that the bill be made more "user-friendly" to high school dropouts. Specifically, I would recommend that the requirement of a high school diploma (or equivalent) be dropped for any participant under 20 years of age. Similarly, I suggest enhancing the testing and education requirements to meet the needs of high school dropouts. A strong relationship between the work program and GED classes would provide high school dropouts with the ability to participate in community work while earning or making progress towards a GED. Without such changes, the legislation will do little for a significant portion of our society which has dropped out of high school and sees little incentive for any further education.

The youth corps community appreciates your leadership in trying to find jobs for people who desperately want to work. We look forward to cooperating with you on this exciting initiative.

WHAT ARE YOUTH CORPS?

Conservation and service corps programs—youth corps—harness the energy and idealism of young people to meet the needs of communities, states, and the nation. Corps programs engage young people, generally 16-25 years old, in paid, productive, full-time work which benefits the young people and their communities.

Corps work. Participants in corps programs—corpsmembers—most often work in crews or teams of eight to twelve with a paid adult supervisor who sets and models clear standards of behavior. Youth corps crews undertake a wide range of work projects. Some are similar to the forestry and parks projects of the Civilian Conservation Corps of the 1930s; others fill gaps in the services of urban parks, renovate housing, and assist human service agencies. All corps projects meet community needs and allow young people to serve as community resources. Most corpsmembers receive at least minimum wage for their work.

Corps educate. Corpsmembers devote part of each week to improving their basic education skills and preparing to search for future employment. Many corps also provide education about life skills, such as budgeting, parenting, and personal health and well-being. Corps programs encourage corpsmembers to engage in tangible acts of citizenship, such as voting. Some corps offer educational scholarships or cash bonuses to corpsmembers who complete their term of service.

Corps are widespread and growing. More than 100 youth corps operate in 36 states. Some of these programs are statewide; the majority are locally-based. Most corps operate year-round, although some operate only during the summer. More than 20,000 young adults nationwide are currently serving in youth corps. Funding for corps comes from a variety of sources including state, county and municipal appropriations, fee-for-service contracts, foundations and corporations, as well as federal job training and community development block grants. During 1992 and 1993, the National and Community Service Act of 1990 provided funding for corps through grants to states. In September 1993, the National and Community Service Trust Act (P.L. 103-82) was signed into law by President Clinton. The Trust Act allows corps to apply for funding through statewide population-based and competitive grants.

YOUTH CORPS PROGRAM MODELS

Size, structure, sponsorship, funding source, leadership and mission all vary from one youth corps program to another. State governments began to create year round and summer youth corps programs in the mid-1970's. Cities and counties began to organize youth corps programs several years later. In the mid-1980's, some operators of the summer youth employment program of the federal Job Training Partnership Act developed local and state youth corps. Still, corps fall generally in line with several models, the elements of which are listed below:

State year-round corps programs are often: Managed by a land-managing or employment and training agency; funded from general appropriations, bonds and user fees; designed to employ out-of-school young adults ages 16-25; set up to conduct projects on public lands or public institutions; and set up to involve residential crews, non-residential crews or both.

State and local summer corps programs are often: Managed by a state department in cooperation with local agencies, such as Service Delivery Areas or parks departments; funded through state funds and, especially, federal JTPA funds; designed to

operate for 8-12 weeks on a small number of projects; and designed to employ youth as young as 14 in non-residential settings.

Year-round urban corps programs are often: Funded by a broad mix of federal, state and local government funds, as well as private sources and fee-for-service contracts; designed to employ out-of-school young adults ages 16-25; set up to conduct projects ranging from human service to conservation; operated as non-profit organizations or as part of larger non-profit organizations; set up with the cooperation and assistance of city and state governments; and designed to provide comprehensive education and support services to corpsmembers.

WHAT IS NASCC?

The National Association of Service and Conservation Corps is the membership organization for youth corps programs. Since its founding in 1985, NASCC has served as an advocate, central reference point and source of assistance for the growing number of state and local youth corps around the country.

NASCC's primary mission is two-fold: to strengthen the quality of existing youth corps programs and to promote the development of new ones. To accomplish this NASCC: provides written and on-site technical assistance to new and operating corps and those in the planning stages; maintains an Information Clearinghouse on youth corps policies, programs and practices, as well as the overall status of the youth corps field; sponsors an Annual Conference for youth corps staff and corpsmembers; undertakes a wide range of policy development and public affairs activities to bring the value of youth corps to the attention of policymakers, the media, the philanthropic community and general public; organizes professional development workshops for corps program directors and other staff on a range of policy, program and management topics; participates in national coalitions such as the Working Group on National and Community Service Policy and the National Youth Employment Coalition; and publishes an annual Youth Corps Profiles, a quarterly newsletter—Youth Can!—and other information bulletins on issues of importance to the field.

NASCC is a non-profit corporation governed by a board of directors which is composed of corps program directors from throughout the U.S. and prominent citizens. NASCC receives support from membership dues and registration fees, as well as from foundations and corporations, including the DeWitt Wallace-Reader's Digest Fund, the William and Flora Hewlett Foundation, the W.K. Kellogg Foundation, the Charles Stewart Mott Foundation and the Xerox Corporation.

[Additional material is retained in the files of the committee.]

PREPARED STATEMENT OF THOMAS BROCK

Good morning. I am Thomas Brock, Research Associate at the Manpower Demonstration Research Corporation (MDRC). I appreciate the opportunity to testify before this subcommittee on findings from MDRC's research on Unpaid Work Experience programs for welfare recipients, and the lessons that such research gives about the design and implementation of future efforts to provide jobs to welfare recipients.

Let me begin with a definition. Unpaid Work Experience involves assigning welfare recipients—specifically, recipients of Aid to Families with Dependent Children (AFDC)—to community service jobs, either in government or the private nonprofit sector, as a condition of public assistance. Participants in Unpaid Work Experience do not receive any compensation other than their welfare check, though they may receive support services like child care and transportation payments. Sometimes Unpaid Work Experience is called "workfare," but I will avoid this term, since this label is often used to describe mandatory job search, education, training, or other activities for AFDC recipients. Unpaid Work Experience strictly involves working for welfare benefits.

In some Unpaid Work Experience programs, the number of hours that individuals are assigned to a job is determined by dividing the amount of the individual's welfare check by minimum wage. The duration of the work assignment can be as long as an individual receives AFDC. In other programs, welfare recipients may be assigned to work 20 hours per week, regardless of the amount of the AFDC grant; these programs typically limit work assignments to 3 months.

Although Unpaid Work Experience programs have existed in various forms since the 1960s, they are once again in the spotlight as a possible option for welfare reform. In particular, some policymakers have proposed that Unpaid Work Experience could be required at the end of two years on welfare, after recipients have had an opportunity to take advantage of education and training services. Other policymakers have suggested that Unpaid Work Experience should be given greater prom-

inence in the currently operating Job Opportunities and Basic Skills Training (JOBS) programs, where job search, basic education, and occupational training now tend to receive the most emphasis.

Supporters of Unpaid Work Experience argue that it might accomplish the following objectives:

First, it could introduce a reciprocal obligation to the welfare system. In other words, it might require AFDC recipients to "give back" something to the public in exchange for the benefits they receive.

Second, it could allow valuable community work to be performed. In an era of tight fiscal resources, Unpaid Work Experience might address public needs that otherwise would go unmet.

Third, it might increase the employability of welfare recipients by teaching them basic work habits (such as punctuality and getting along with others), and perhaps specific occupational skills as well. It might also provide experience that welfare recipients could list on a job application.

Fourth, it could reduce welfare rolls and costs, either by providing welfare recipients with the experience they need to obtain unsubsidized work; deterring people from remaining on welfare so that they can avoid the work requirement; or "smoking out" those who may already have employment that they are not reporting to the welfare department.

During the 1980s, MDRC conducted a number of evaluations that help to shed light on the extent to which Unpaid Work Experience programs can achieve these objectives. These evaluations were unusually rigorous: Eligible AFDC recipients were randomly assigned into different groups, with some people assigned to a program group that could attend Unpaid Work Experience (and possibly other activities), and other people assigned to a control group that could not participate in Unpaid Work Experience (or other services). The difference in welfare and employment outcomes between program and control group members yields a reliable estimate of program achievements, since the control group represents what would have happened to welfare recipients if there were no Unpaid Work Experience program.

All of MDRC's evaluations were conducted on "real" programs operated by state or local welfare departments. There were 9 studies altogether.¹ All of the evaluations provided data on the implementation, participation patterns, and (in most cases) costs of Unpaid Work Experience; 3 of these studies—in West Virginia; San Diego, California; and Cook County (Chicago), Illinois—also were designed to isolate the effects of Unpaid Work Experience on AFDC recipients' earnings and welfare payments.

I will turn now to 5 major questions that are often asked about Unpaid Work Experience, and the answers indicated by MDRC's research.

First, is Unpaid Work Experience feasible to operate?

The answer from MDRC's evaluations is "yes." All of the state and local welfare agencies that we studied were able to implement an Unpaid Work Experience program and to enforce a reciprocal obligation: that is, work in exchange for welfare.

There is, however, an important caveat to this finding. With the exception of West Virginia—which maintained an enrollment level of over 1,900 during the course of the evaluation—most of the programs were run at a very small scale. After West Virginia, Cook County's program was the second largest, with nearly 400 filled positions; the other programs were smaller still.

Why were the programs so small? In part, it was because they were designed and targeted in a way that minimized the number of people who could participate. Nearly all of the programs we studied, for example, excluded AFDC recipients who had pre-school age children. Furthermore, with the exception of West Virginia, all of the programs placed Unpaid Work Experience after an initial activity like job search, or offered Unpaid Work Experience as one of several activities clients could choose, thereby limiting the number of people who participated in Unpaid Work Experience. Finally, although nearly all of the programs were mandatory—meaning that welfare benefits could be reduced or eliminated if clients assigned to Unpaid Work Experience did not attend their assignments—the programs varied in the extent to which they enforced the participation requirement.

¹The 9 studies were of the Arkansas WORK program; the San Diego, California Job Search and Work Experience Demonstration; the San Diego, California Saturation Work Initiative Model (SWIM); the California Greater Avenues for Independence (GAIN) program; the Cook County, Illinois WIN Demonstration; the Maine Training Opportunities in the Private Sector (TOPS) program; the Baltimore, Maryland OPTIONS program; the Virginia Employment Services Program; and the West Virginia Community Work Experience Program.

The small scale of the programs was also explained by operational and political considerations. Most of the programs were constrained in the number of staff and other resources they had available to run Unpaid Work Experience. Smaller-scale programs are also easier to implement, particularly because Unpaid Work Experience has tended not to be a popular activity among welfare advocacy groups (who have viewed these programs as exploitative of welfare recipients) or public service employees' unions (who have regarded unpaid workers as a threat to regular, paid staff). Notably, in the Cook County program, the welfare department developed no worksites in state, county, or City of Chicago governmental offices, specifically in deference to public service employees' unions. All of Cook County's worksites were in the community-based nonprofit sector.

Finally, an important factor limiting the scale of Unpaid Work Experience programs was the clients themselves. Not all welfare recipients were ready or able to work, even in low skilled jobs. Program staff exempted clients who lacked basic literacy, could not make child care or transportation arrangements, had physical or emotional problems, or seemed unmotivated. Some clients also simply refused to participate, even at the risk of having their welfare benefits reduced. The percentage of clients in the mandatory programs who failed to go to their work assignments without good cause ranged between 5 and 15 percent, based on program sanctioning data.

Second, can Unpaid Work Experience provide meaningful work?

In the programs studied by MDRC, the answer is once again "yes." The jobs were generally entry-level positions in maintenance, clerical work, park service, or human services. Examples of the types of jobs participants held include the following: office aides and receptionists for a community nonprofit agency; mail clerks for city agencies; assistants in day care programs for children or handicapped adults; street sweeper for the public works department; and gardeners in city parks.

MDRC conducted surveys of worksite participants and supervisors and found that both groups held generally positive views about the assignments. A large majority of participants in all of the study sites responded that they liked their jobs overall and looked forward to coming to work. Most participants also thought the work requirement was "fair," though they believed the employer got the better end of the bargain and would have preferred regular, paid jobs. Worksite supervisors judged the work that participants performed to be important, and reported that participants were as productive as comparable entry-level employees in their organizations. However, the supervisors did not think that the work assignments enabled participants to acquire new occupational skills. These findings indicate that Unpaid Work Experience was not necessarily punitive or exploitative, as some critics feared; but neither did it teach people new occupational skills, as some proponents claimed. Rather, the truth seemed to lie somewhere in the middle.

It is important to note that participant and supervisor attitudes about Unpaid Work Experience could be quite different if it were implemented on a much larger scale—or if the participation requirement were much longer—than in the programs MDRC studied. For example, if welfare agencies truly required everyone who was left on AFDC at the end of 2 years to go to a worksite or lose their benefits, welfare recipients' attitudes toward Unpaid Work might be considerably less positive. Welfare agencies might also have difficulty creating enough meaningful work assignments if a job had to be found for everyone left on the rolls at 2 years, particularly because these welfare recipients would tend to be low-skilled and might face significant personal barriers to working.

Third, does Unpaid Work Experience increase earnings and reduce welfare dependency?

The three programs in which MDRC was able to isolate the effects of Unpaid Work Experience—in San Diego, Cook County, and West Virginia—generally did not produce significant earnings gains or reductions in welfare payments. The one exception was for the predominantly female, single parent AFDC applicant group in San Diego, who were randomly assigned to a program group that received job search assistance followed by Unpaid Work Experience. Over 15 months following random assignment, these AFDC applicants had a statistically significant increase in earnings of \$700 over a no-service control group, and a \$450 increase in earnings over a second program group that received job search services, but no Unpaid Work Experience. Hence, AFDC applicants in San Diego who could attend Unpaid Work Experience earned more than those who could not participate.

In contrast to this positive finding for single parent applicants, the same San Diego program did not produce significant earnings gains for the mostly-male heads of 2-parent AFDC-UP cases. Likewise, neither the Cook County nor the West Vir-

ginia Unpaid Work Experience program led to significant earnings increases for mostly-female AFDC applicants and recipients. And in none of the studies sites—including San Diego—were there significant reductions in welfare payments that were attributable to Unpaid Work Experience.

In sum, though we only have a few studies to draw from, the findings do not suggest that Unpaid Work Experience is an effective means of increasing earnings or reducing welfare payments—at least not as operated during the 1980s. It is possible that if Unpaid Work Experience were structured to provide more occupational skills development—or if it were followed up by job search assistance (instead of merely preceded by job search, as was the case in many of these programs)—participants might be better able to capitalize on their experience, and significant earnings effects could be detected. It is also possible that Unpaid Work Experience could lead to significant reductions in welfare payments if it were run as a much more mandatory or onerous program. For instance, welfare recipients might be more inclined to go off welfare if they knew that the work requirement was unavoidable and long-lasting, as might be the case under a time-limited welfare program.

Fourth, what does Unpaid Work Experience cost?

By definition, there is no payment of wages to participants in Unpaid Work Experience; welfare recipients work for the benefits they are already receiving. Despite this fact, there are programmatic costs involved in worksite development; client intake, assignment, and monitoring; and support services, such as child care and transportation payments. Added together, these expenses can be substantial. In 1993 dollars, the annual cost of keeping an Unpaid Work Experience position filled in the programs studied by MDRC ranged from about \$ 1,100 to \$7,000.

The wide variation in program costs was due largely to differences in program design, targeting, and scale. For example, only one program (in Arkansas) included AFDC recipients with pre-school age children; consequently, this program had some of the highest child care costs, and was one of the most expensive overall. Some programs invested considerably more in worksite development and participant monitoring than others; the more attention paid to these activities, the more expensive the program. Staff salaries varied significantly in the different study locations—higher in urban areas, for example, and lower in rural—thereby affecting program costs. And there appeared to be economies of scale: The largest programs (in West Virginia and Cook County) had the lowest costs, while the smallest programs had higher costs. We do not know, however, whether there might be diseconomies associated with running extremely large-scale Unpaid Work Experience programs, as might be the case if Unpaid Work Experience were required of everyone left on welfare at 2 years.

MDRC's analysis of the costs of the 1980s programs suggests that a reasonable estimate of the annual cost of keeping an Unpaid Work Experience position falls between \$2,000 and \$4,000 (in 1993 dollars), exclusive of child care. One strategy to minimize child care costs might be to target AFDC recipients with school-age children, and to set work hours during times that children are normally attending school, with breaks in assignments scheduled during school holidays and vacations.

Fifth, is there research evidence to suggest that a large-scale community work program for welfare recipients can be implemented?

As indicated previously, only one of the Unpaid Work Experience programs studied by MDRC—West Virginia's—can truly be considered a large-scale program. The Unpaid Work positions were mostly filled by men on AFDC-UP.² Achieving high participation was an explicit goal in West Virginia, and special funding was provided for this purpose. Moreover, the state welfare agency had a long history of running work programs of this type. Indeed, in a state where unemployment rates have tended to be high, Unpaid Work Experience came to be viewed as a near-equivalent of a public works program, and enjoyed considerable support.

Even with strong backing, however, there may be practical limitations to the scale at which Unpaid Work programs can operate. New York City's experience during the 1980s provides a sobering example. Mayor Edward Koch was a strong and consistent supporter of Unpaid Work Experience, and ran one of the largest such programs in the country. Still, at its peak the New York City program enrolled 7,500 participants, out of a mandatory adult AFDC recipient population of approximately

²Note that the previously-mentioned findings on welfare and earnings impacts in West Virginia are for only women on AFDC, not for men on AFDC-UP. The research design for men on AFDC-UP addressed different questions, focusing largely on the implementation of a "saturation" program in which the goal was to enroll as many men into Unpaid Work Experience as possible. The research design for AFDC-UP recipients did not involve random assignment and produced less conclusive evidence than the evaluation conducted on AFDC recipients.

125,000. Given that the total paid municipal workforce is over 300,000, it becomes clear that the objective of finding an Unpaid Work Experience position for every mandatory welfare recipient in New York City would be tantamount to increasing the number of city workers by about one-third.

Moving beyond Unpaid Work Experience, other MDRC research—specifically, the evaluation of the Youth Incentive Entitlement Pilot Project (YIEPP)—provides some evidence that government agencies can create meaningful jobs on a large scale. Operated between 1978 and 1980, YIEPP was the nation's first and, to date, only effort to run a guaranteed jobs program. The program offered minimum wage jobs, part-time during the school year and fulltime during the summer, to youths between the ages of 16 and 19 who were from low-income households, on the condition that they remained in or returned to high school (or its equivalent) and met academic and job performance standards. The job offer was extended as an entitlement to all eligible youths in 17 demonstration areas across the country, including urban, suburban, and rural sites. Prime sponsors under the Comprehensive Employment and Training Act (CETA) were charged with operating the program. Unlike the Unpaid Work Experience programs described earlier, some of the YIEPP worksites were located in the private, for-profit sector. Participants in YIEPP were paid wages that were fully subsidized by the federal government.

MDRC's evaluation of YIEPP concluded that program operators delivered on the job guarantee. They developed an adequate number of jobs to keep up with the flow of enrollees, and provided a total of 45 million hours of work for more than 76,000 youths. Most of the jobs were typical entry-level positions, with the largest categories being clerical, building maintenance, and community recreation aides. In an extensive study of program worksites, MDRC researchers concluded that most of the YIEPP worksites were of good quality, not "make work." Youths were generally kept busy; they were satisfied with their assignments; and their supervisors valued their work. The U.S. General Accounting Office conducted a separate audit of worksite quality, and reached similar conclusions.

What accounts for YIEPP's success in implementing a job guarantee for disadvantaged youth? The research suggests several factors:

There was adequate funding to make the job guarantee real. This did not come cheaply; overall, during the 2 and one-half years of the demonstration, \$224.3 million was spent on program operations in the 17 demonstration sites, with 63 percent of that amount going to participant wages. In 1980 dollars, the cost of keeping a youth in the program for one year varied from under \$3,500 in the site with the lowest cost, to over \$6,100 in the site with the highest cost.

The inclusion of private sector worksites contributed to the program's ability to provide quality work experience positions. Private sector cooperation would not have been possible, however, without the wage subsidy.

The CETA prime sponsors generally had the necessary managerial experience and organizational relationships—particularly with the private sector—to develop large numbers of worksites. Importantly, the CETA prime sponsors handled the payroll and other program paperwork responsibilities, thereby minimizing the administrative burdens on worksites.

There was broad-based support in most of the demonstration sites for the Youth Entitlement approach. CETA prime sponsors, mayors and other elected officials, school administrators, employers, and others in the community were all committed to the objective of guaranteeing jobs for low-income youth. Indeed, a high level of community support, combined with managerial capacity and other factors, was an important factor in the selection of the 17 demonstration sites out of the approximately 150 communities nationwide that applied to be in the project.

Some of these conditions would almost certainly be different in running a massive work program for welfare recipients. For example, any effort to provide jobs for everyone left on AFDC at the end of 2 years would have to be conceived and implemented on a much larger scale than YIEPP. It is also the case that work programs for welfare recipients have tended to be more controversial than youth employment programs. Nonetheless, the factors listed above—adequate funding; a broad-based job development strategy (possibly including the private sector); managerial expertise and linkages with employers; and widespread political, administrative, and public support—would seem to be essential ingredients for any large-scale job creation effort for AFDC recipients to succeed, regardless of whether the approach is Unpaid Work or paid community service employment.

STATEMENT OF AUDREY ROWE

Good morning Mr. Chairman and members of the subcommittee, my name is Audrey Rowe. I am the commissioner of the Connecticut Department of Social Services. I am testifying today on behalf of the American Public Welfare Association (APWA). APWA is a 64-year-old nonprofit, bipartisan organization that represents all of the state human service departments plus local welfare agencies and individual members.

Thank you for the opportunity to testify today on the very important issue of public sector job creation. It is an issue central to the upcoming welfare reform debate, and one I know that is of primary interest to you, Mr. Chairman, and the work of this subcommittee.

In my testimony today, I would like to briefly summarize APWA's recommendations for reform of the welfare system released at a press conference here on Capitol Hill two weeks ago. The recommendations are the culmination of a year's work by APWA's Task Force on Self-Sufficiency, of which I am a member. I would also like to specifically address those recommendations from our recommendations on job creation and then discuss the challenges that lie ahead in creating community service and Community Work Experience (CWEP) jobs for AFDC recipients facing a mandatory work obligation.

APWA Task Force on Self-Sufficiency Recommendations

On January 11, 1994, APWA released a series of recommendations that state and local human service administrators see as the critical next steps in restructuring the welfare system. The recommendations represent a consensus of opinion among a broadly diverse group representing the variety of state views on welfare policy. Our Task Force includes commissioners from many of the states--including my own--that have undertaken or plan to undertake demonstration projects through the federal waiver process. The APWA recommendations, Mr. Chairman, *are the first bipartisan recommendations for welfare reform* in the current welfare debate. We hope they will not be the last bipartisan recommendations you will receive.

Our recommendations reward and support hard work. Under our proposal, everyone is required to do something with the goal of using welfare as a temporary source of support. There will be penalties for those AFDC parents who fail to take their responsibilities seriously. No one is penalized, however, if resources aren't available or if jobs do not exist.

Agreement of Mutual Responsibility

Our proposal is based on the premise that welfare should reflect mutual responsibilities on the part of the parent and welfare agency. When applying for AFDC the parent must sign what we are calling "an Agreement of Mutual Responsibility." If the parent refuses to sign the agreement, the application process stops. The parent would not be eligible for financial assistance.

In signing the agreement both parties enter into a contract. The welfare agency agrees to provide financial assistance and the individual agrees to participate in: (1) an assessment of his/her education and literacy needs, work experience, strengths and interests, and personal circumstances; and (2) the development of an employability plan outlining goals for employment, the responsibilities of the parent and the agency in meeting these goals, and the specific steps to be undertaken.

Basic Elements of the Program

We propose a three-phase program, building on the current Job Opportunities and Basic Skills (JOBS) Training program in which, within 90 days of eligibility determination, all AFDC recipients will be required to participate in mandatory job search in combination with:

- A JOBS preparation phase; or
- Up to a limit of two years in a JOBS career-focused education and training phase; and/or
- A JOBS mandatory work phase in which AFDC parents would be required to work in an unsubsidized private-or public sector job, with CWEP available as a last resort for those who complete JOBS and are unable to locate unsubsidized work.

There are no exemptions from participation in JOBS under our proposal.

JOBS Preparation

Individuals who enter the JOBS preparation phase would include those the welfare agency believes have such limited skills or whose personal circumstances present barriers to employment such that they need more than two years of education and training. They could include individuals temporarily incapacitated due to a physical or mental illness or because of a substance abuse problem; those caring for an incapacitated adult or child in the household; individuals with very low literacy levels and no recent work history; young parents still in school, or mothers of very young children. These individuals, nevertheless, would participate in an activity as a condition of eligibility, such as parenting skills training, regularly receiving necessary health or behavioral health care and making progress on or completing their GED or high school diploma as identified in their employability plan.

APWA is proposing a "graduation rate"—an outcome-based performance standard measuring parents' movement out of the JOBS preparation phase-- as a requirement for states to meet to ensure that participants in JOBS preparation move on to career-focused education and training.

Career-Focused Education and Training

Individuals who enter the JOBS career-focused education and training phase are those the state believes will be employable after up to two years of education and training or those, while they might be considered for JOBS preparation, volunteer to participate in education and training. States would operate the program as they do today—offering a full range of services and activities to promote job readiness and employment. Everyone will participate in job search. They will be expected to begin the process of looking for and going to work from the very beginning. Our goal is to ensure that individuals obtain employment without having to face a mandatory work obligation.

Mandatory Work Requirement

After two years in education and training participants will be required to work. *Our highest priority is that these individuals work in unsubsidized employment in the private or public sectors.* We call for a variety of approaches to ensure that this happens, and I will detail those for you in a few moments.

For those not working in unsubsidized employment, we recommend placement in Community Work Experience, *but only as a last resort.* As stated in our report, "While administrators anticipate a significant expansion of CWEP because of the increased numbers of AFDC parents required to participate in preemployment or employment activities, they note that it will have limited value for parents who are job ready and have previous work experience."

Individuals working at least 20 hours per week are considered meeting the mandatory work requirement under our proposal. Those working at least 20 hours per week and still receiving AFDC will continue to receive child care, support services and other employment and training assistance necessary to enable them to stay employed. If a parent cannot find work and agency resources are not available to support a parent's satisfactory participation in a work activity, including CWEP, the mandatory work requirement will not be imposed.

Penalties

I want to underscore that sufficient federal and state resources must be provided to ensure those participating in any phase of JOBS can meet the requirements for satisfactory participation. On the other hand, if AFDC parents fail to participate in the development of their employability plan or comply with the plan as required we propose a penalty reducing the family's combined AFDC and food stamp benefit by 25 percent. We believe such a penalty is realistic and necessary for any parent who fails to take their responsibility seriously.

Other Policy Priority Areas for APWA

The report also addresses issues of prevention and cross-system collaboration. It takes the challenge of reform beyond the welfare system. The center-piece of our proposal is work, but the goal of true reform cannot be fully achieved if we do not "make work pay", including enactment of health care reform that ensures universal

health care coverage, access to quality child care options, and making sure that everyone who is eligible takes full advantage of the expansions in the Earned Income Tax Credit recently enacted by Congress. As President Clinton said in his State of the Union address on Tuesday 15 million people will be lifted out of poverty as a result of this expansion. We must make sure that everyone does so.

We must improve the establishment of paternity and the enforcement and collection of child support with particular attention focused on improving interstate enforcement of child support. Currently, the easiest way to avoid child support is merely to move to another state. We call specifically for states to provide uniform rules for jurisdiction of orders through the Uniform Interstate Family Support Act (UIFSA), a model law developed by the National Conference of Commissioners on Uniform State Laws.

We also call for expanded funding and improved access to available federal funds for the current JOBS program--both before and after welfare reform legislation is enacted and implemented by states. In addition, we should act now to simplify and coordinate existing public assistance programs. In doing so, our report calls for enactment of 57 legislative and regulatory proposals for simplification and coordination of AFDC and food stamps identified by state and local administrators through the APCA National Council of State Human Service Administrators.

And finally, Mr. Chairman, as you know the majority of states are pursuing state-based reforms of the welfare system through waivers of federal laws and regulations. Congress created this mechanism to encourage state experimentation and innovation. We believe a number of the waivers now being granted to states by HHS and USDA should not have to meet the tests of cost neutrality and experimental design. We call for more flexibility within the current process, including allowing states to use the state plan process to implement changes in AFDC and food stamp programs.

Job Creation

Our proposal emphasizes the need for employment that results in family self-sufficiency as the successful endpoint for both client and agency efforts. *We underscore the preference for jobs in the private sector--the primary source of our Nation's economic growth and development.*

We recognize the lack of private sector jobs available today for many Americans who are poor. We therefore call for creation of a new, adequately funded job creation strategy to support employment of low income individuals in the *private sector*. We propose targeting 75 percent of the new jobs created under this new initiative to JOBS graduates and 25 percent to unemployed economically disadvantaged youth and adults.

We believe that under an adequately funded welfare reform program, expansion of on-the-job training, work supplementation, and the use of the Targeted Jobs Tax Credit can serve as useful tools in the placement of JOBS graduates in private sector jobs. We recognize, however, that these placement tools are now used on a small scale and will likely serve only to supplement other job creation efforts.

We commend Congress and the President for creation last year of the National Service Corp. We believe that National Service can and should serve as a valuable work and education alternative for AFDC parents and their children. We believe, however, that AFDC recipients should become a target group under the program. In fact, we recommend that AFDC recipients be identified as a target group in any new or reauthorized community development, economic development, or private sector job creation program enacted by Congress. I believe such targeting is much more feasible--politically and fiscally--than creating a new, separate public service jobs program for AFDC recipients facing a mandatory work obligation under welfare reform.

Community Work Experience

There will undoubtedly be much debate about the efficacy of CWEP as a primary source of jobs for AFDC recipients facing a mandatory work obligation. Human service administrators understand the challenges posed by operating CWEP, since we have been responsible for administering such programs. Our experience tells us that we must have realistic expectations about the efficacy of operating a large scale program as the cost of CWEP can be high and labor intensive--developing worksites, providing supervision, monitoring and followup with the employer and the client, etc. We know from the research conducted by the Manpower Demonstration Research Corporation in the 1980's that CWEP is feasible to operate and that participants and supervisors found the work meaningful. The programs we have operated in the past--and those studied by MDRC--were small in scale with little evidence to support that CWEP leads to consistent employment or earnings or reductions in welfare caseloads or costs.

We know there are differences among states in terms of their success in identifying employers and sustaining a growing program. Our recent experience with implementation of the new work requirement under the JOBS program for two-parent families on AFDC illustrates of the challenges of operating an expanding CWEP program. Some states have found it easier than expected to develop slots, but harder than expected to fill them. Private nonprofit organizations are eager for manpower, but their needs don't always match the skills of the available pool of workers. Some employers have become frustrated with attendance rates, which can be low for a number of reasons, including lack of transportation or child care or illness of the child or adult. For other employers, CWEP has been a great experience and they are very enthusiastic about the program.

Some states have found that because of the lack of liability insurance coverage employers are not willing to accept CWEP clients. The degree to which this is an issue varies across states, but generally we have found that some state worker compensation laws do not provide sufficient liability coverage or require purchase of separate liability coverage. Some states report they do not require separate liability coverage, but have sought to purchase coverage anyway only to find that state laws prohibit purchasing or requiring employers to purchase such coverage unless federally mandated. Still others report that private carriers who would normally carry coverage for nonprofits do not want to do so. Again, we are not talking about a large problem, but clearly one that has surfaced and has been an impediment in some states.

For those states with bargaining agreements with public sector unions, the use of CWEP clients in state or local government agencies has posed a problem. For unions, concerns about displacement and use of CWEP clients performing work covered under a bargaining agreement have led to opposition to the program. For some states, such opposition has led to use of nonprofits almost entirely for CWEP.

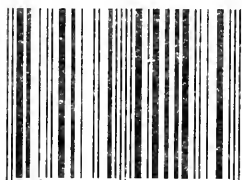
In Connecticut we've been able to establish a new partnership between the state of Connecticut Departments of Labor and Transportation and the Connecticut Employees Union Independent to provide the opportunity for 100 General Assistance recipients to receive six months of paid on-the-job training in road and highway maintenance. Funded by the Department of Labor Subsidized Transitional Employment Program (STEP), the program provided participants with training that would enable them to acquire a Commercial Driver's License (CDL) and perform a wide variety of public works functions. In November, 83 recipients successfully completed the training program and moved into temporary highway maintenance jobs with the Department of Transportation. The graduates will work for the Transportation Department for five months or until they get permanent positions. As vacancies arise, the DOT will offer permanent positions to program graduates.

In sum, the challenges posed by CWEP are significant as we move to scale. I caution you again against having overly high expectations about the efficacy of this approach in moving large numbers of recipients into unsubsidized employment or in reducing caseloads or costs. On the other hand, if we can address some of the impediments that limit the number of potential worksites and cost of operations, CWEP can serve as a structured, meaningful work activity for states, and the AFDC recipients facing a mandatory work obligation.

Thank you again, Mr. Chairman for the opportunity to testify today. I would be happy to answer any questions you may have.

Senator SIMON. Our hearing stands adjourned.
[Whereupon, at 12:35 p.m., the subcommittee was adjourned.]

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